

1952

Uniform system of accounts for railroad companies.  
Prepared by the Interstate Commerce Commission  
in accordance with section 20 of the Interstate  
commerce act, issue of 1952, Effective October 1,  
1952

United States. Interstate Commerce Commission

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UNIFORM SYSTEM OF ACCOUNTS  
FOR  
RAILROAD COMPANIES

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PRESCRIBED BY THE  
INTERSTATE COMMERCE COMMISSION  
in accordance with Section 20 of the Interstate Commerce Act

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ISSUE OF 1952

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EFFECTIVE OCTOBER 1, 1952



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UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1952

# THE INTERSTATE COMMERCE COMMISSION

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## DIVISION 1

CHARLES D. MAHAFFIE

WILLIAM E. LEE

RICHARD F. MITCHELL

W. P. BARTEL, *Secretary*

(II)



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TITLE 49—TRANSPORTATION  
CHAPTER I—INTERSTATE COMMERCE COMMISSION  
PART 10—UNIFORM SYSTEM OF ACCOUNTS FOR RAILROAD COMPANIES

**ORDER**

At a session of the Interstate Commerce Commission, division 1, held at its office in Washington, D. C., on the 15th day of August A. D. 1952.

The matter of accounting regulations for carriers by railroad, which are not independently operated as electric lines, being under consideration pursuant to provisions of section 20 of the Interstate Commerce Act, as amended (24 Stat. 386, 41 Stat. 493, 54 Stat. 916, 49 U. S. C. 20 (3)); and,

*It appearing*, That by orders dated May 19, 1914, the "Classification of Investment in Road and Equipment of Steam Roads, Issue of 1914," the "Classification of Operating Revenues and Operating Expenses of Steam Roads, Issue of 1914," the "Classification of Income, Profit and Loss, and General Balance Sheet Accounts for Steam Roads, Issue of 1914," and the "Classification of Train-miles, Locomotive-miles, and Car-miles for Steam Roads, Issue of 1914," were all and severally prescribed, certain provisions of all of which orders having been modified subsequently by supplemental orders and the regulations prescribed by those orders subsequently reissued in revised form, and good cause appearing:

*It is ordered*: That the four orders dated May 19, 1914, as above referred to and as subsequently modified, be and they are hereby vacated and set aside effective October 1, 1952, and that the accounting rules and regulations of permanent effect which were promulgated by those orders as modified, be and they are hereby, reissued in the codified form which is attached hereto and made a part hereof to be known as the "Uniform System of Accounts for Railroad Companies, Issue of 1952;" and,

*It is further ordered*, That effective October 1, 1952, all carriers by railroad subject to provisions of Part I of the Act and not independently operated as electric lines, shall comply with the said "Uniform System of Accounts for Railroad Companies, Issue of 1952;" and,

*It is further ordered*, That a copy of this order with the attached regulations shall be served on all railroad companies subject to its provisions, and on every receiver, trustee, executor, administrator, or assignee of any such railroad company, and that notice shall be given to the general public by depositing a copy of the order with attached regulations in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director of the Division of the Federal Register.

By the Commission, division 1.

[SEAL]

W. P. BARTEL,  
*Secretary.*

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**AUTHORITY:** §§ 10.01 to 10.825 issued under sec. 12, 24 Stat. 383, as amended; 49 U. S. C. 12. Interpret or apply sec. 20, 24 Stat. 386, as amended; 49 U. S. C. 20.

**NOTE:** In this part the numbers assigned to sections thereof include as a whole number, following the decimal point, the number of the prescribed account. Where references throughout the regulations are to an account, as such, only the account number portion of the section number is used. For example: Account 101, "Freight," may be mentioned in the instructions or in the text of another account, and will be found as § 10.101 under operating revenues. Sections devoted to instructions, as distinguished from the texts of the prescribed accounts, are numbered serially § 10.01 to § 10.08, inclusive, with appropriate sub-numbers following a dash.

## INVESTMENT IN ROAD AND EQUIPMENT

§ 10.01 *General instructions.* The carrier's records shall be kept with sufficient particularity to show fully the facts pertaining to all entries made in the accounts provided in this part for investment in road and equipment. Where the full information is not recorded in the general books, the entries therein shall be supported by other records in which the full details shall be shown. Such general book entries shall contain sufficient reference to the detail records to permit ready identification, and the detail records shall be filed in such manner as to be readily accessible for examination by representatives of the Interstate Commerce Commission.

§ 10.01-1 *Accounts for investment in road and equipment.* The accounts prescribed in this classification, except in connection with the acquisition of transportation property as provided in accounts 702½A, "Acquisition adjustment," and 702½B, "Donations and grants," are designed to show the investment of the carrier in property devoted to transportation service. The carrier's investment in physical property other than transportation property is provided for in balance-sheet account 705, "Miscellaneous physical property." "The carrier" means the accounting carrier, except when otherwise specifically indicated. The carrier's records shall be kept in such form that expenditures for additions and betterments may be reported separately from those for original road, original equipment, and road extensions, and shall show separately the expenditures under each authorized addition and betterment project. (See balance-sheet account 701, "Road and equipment property," and 702, "Improvements on leased property.") When a building or structure is used primarily for transportation purposes it is not contemplated that parts of such buildings or structures rented to others will be carried in account 705; nor is it contemplated that irregular parcels of land acquired in connection with acquisition of right-of-way which have no value as commercial property shall be transferred to account 705, either for the purpose of making right-of-way boundaries run more or less regular or for the purpose of eliminating from account 701 the cost of unoccupied lands between tracks in yards and terminals.

§ 10.01-2 *Items to be charged.* To these accounts shall be charged the cost of original road, original equipment, road extensions, additions, and betterments; also the estimated values at time of acquisition of right of way and other road and equipment property donated to the carrier, except that unless authorized by the Commission no charges shall be made to these accounts after July 1, 1914, for donations received previously to that date. Applications to the Commission for including such items in the road and equipment accounts shall contain full information concerning the source and character of the donations.

(a) When the property change involves: (1) the acquisition of units and

minor items of road property (other than land or tracks) such as defined in paragraphs (e) and (c) of § 10.01-7 *Road property retired* the cost of which is less than \$500.00; (2) the betterment of road property (see "Betterments" under paragraph (c) of this section), the betterment cost of which is less than \$500.00, the cost of the units and minor items of road property acquired under (1) and betterment costs under (2) shall be charged to operating expenses.

The retirement of units and minor items of road property shall be accounted for in accordance with § 10.01-7 *Road property retired*.

(b) The carrier shall not parcel expenditures or retirements under a general plan for the purpose of bringing the accounting therefor within this rule, neither shall it combine unrelated items of property for the purpose of excluding the accounting therefor from the rule.

(c) The carrier is permitted to adopt for the purpose of its accounting a limit of less than the aforesaid amounts provided it first files with the Commission the maximum amount which it proposes to adopt and makes no subsequent change in this amount except by authority of the Commission, except that when the carrier adopts a limit of less than \$500 in reporting property changes to the Bureau of Valuation for valuation purposes it shall adopt a like minimum for accounting purposes in order to coordinate the original cost with the physical property included in the inventory.

"Construction" includes all processes connected with the acquisition and construction of original road and equipment, road extensions, additions, and betterments.

"Original road" means the land and road property provided and arranged for in the original plan for the construction of a new road. When the acquisition of any road property under the original plan is deferred, such property when acquired, shall be considered an addition. Original road shall not include road property which, under the original plans for the road, it is proposed to substitute at some time subsequent to the beginning of commercial operations, for the property originally installed and used for transportation operations, such as steel bridges substituted for trestles.

"Original equipment" means equipment provided and arranged for under the original plan for the construction of



a new road. When the acquisition of such equipment under the original plan is deferred, such equipment, when acquired, shall be considered as additions.

"Road extensions" means the land and road property provided and arranged for in the original plan for the construction of extensions of existing main lines, additional branch lines, and extensions of existing branch lines. When the acquisition of any road property under the original plan is deferred, such property, when acquired, shall be treated as an addition. Road extensions shall not include road property which, under the original plan for the extensions, it is proposed to substitute, at some time subsequent to the beginning of commercial operations for the property originally installed and used for transportation in connection with the commercial operations, such as steel bridges substituted for trestles.

"Equipment" means the rolling stock, boats, highway vehicles, horses, and harness devoted to transportation service, the cost of which is includible in the equipment accounts.

"Road property" means transportation property other than equipment.

"Additions" are additional facilities, such as additional equipment, tracks (including timber and mine tracks), buildings, bridges, and other structures; additions to such facilities, such as extensions to tracks, buildings, and other structures; additional ties laid in existing tracks; and additional devices applied to facilities, such as air brakes applied to cars not previously thus equipped. When a unit of property is retired from service and replaced with property of like purpose, the newly acquired property shall, for the purpose of this classification, be considered as an addition, and the cost thereof accounted for accordingly. (See § 10.01-7 *Road property retired.*)

"Betterments" are improvements of parts (minor items) of existing facilities through the substitution of superior parts for inferior parts replaced. The cost chargeable to the accounts of this classification is the excess cost of new parts over the cost at current prices of new parts of the kind replaced.

"Cost" shall be actual money costs to the carrier. Where a portion of the funds expended by or for the carrier has been obtained by grants from governmental agencies, or by donations from individuals or others, the accounting shall be in accordance with paragraphs (1),

(2), or (3) of this section as may be applicable.

(1) *Donations from individuals or others.* The entire cost of constructing transportation property to which the carrier acquires exclusive title and exclusive right of use shall be included in these accounts without deduction on account of contributions received from others. The money value of donations shall be credited to account 702½B, "Donations and grants."

NOTE: Amounts billed against a lessee company for a proportion of the cost of constructing facilities under a contract which covers the joint use of such facilities but does not transfer title, shall be credited by the owning company to account 508, "Joint facility rent income," and charged by the lessee to account 541, "Joint facility rents." The entire cost of the facilities shall be charged by the owning company to the appropriate accounts of this classification.

(2) *Joint projects.* Contributions by governmental agencies, or individuals toward construction of projects involving joint use of facilities by the carrier and others after completion of the project shall not be considered donations and only the cost borne by the carrier in connection with the construction of these projects shall be included in these accounts. In accounting for the cost to the carrier of projects involving joint use of facilities by the carrier and others, such costs shall be first applied to the cost of construction of railway facilities includible in accounts other than 2½, "Other right-of-way expenditures," or 39, "Public improvements—Construction," any remaining balance to be included in account 2½, or account 39, as appropriate.

Illustrations of joint projects referred to are:

(i) Jointly owned tracks, interlockers, etc.;

(ii) Construction or widening of highways, spillways, drainage canals, farm and other private passes, pipe lines, drains, and other facilities across the carrier's right of way;

(iii) Construction of overhead or undergrade crossings;

(iv) Installation of warning signals to protect highway traffic.

(3) *Public improvement projects other than joint projects.* In connection with public improvement projects which do not involve joint use by the carrier and others of the facilities after completion

of the projects such as reconstruction and relocation of tracks and appurtenant facilities at the expense of governmental agencies, the ledger value of the property retired shall be credited and the cost of constructing the new property shall be charged to the appropriate accounts of this classification. The sum contributed by the governmental agencies unless contract specifies otherwise shall be applied first to reduce or cancel the amount that otherwise would be charged to operating expenses or depreciation reserve in accounting for the retirements, and the remainder, if any, representing cost of railroad property only, shall be credited to account 702½B, "Donations and grants." The projects here referred to are those such as occur in connection with the carrying out of flood control, reclamation and other public projects where it becomes necessary to abandon a part of the line of road and relocate it.

§ 10.01-3 *Basis of charges.* The charges to the accounts of this classification shall be based upon the cost of the property acquired. When the consideration given for the purchase or the improvement of property the cost of which is chargeable to the accounts of this classification is other than money, the money value of the consideration at the time of the transaction shall be charged to these accounts, and the actual consideration shall be described in the record in sufficient detail to identify it. The carrier shall be prepared to furnish the Commission, upon demand, the particulars of its determination of the actual cash value of the consideration, if other than money.

§ 10.01-4 *Cost of construction.* It is intended that the accounts for road property and equipment shall include the cost of construction of such property. The cost of construction shall include the cost of labor, materials and supplies, work-train service, special machine service, transportation, contract work, protection from casualties, injuries and damages, privileges, and other analogous elements in connection with such work. The several items of cost here referred to are defined as follows:

(a) "Cost of labor" includes the amount paid for labor expended by the carrier's own employees, including the cost of labor expended for preliminary work, such as sinking test holes or making soundings for tunnels, grading, build-

ings, and other structures; and cost of labor expended in laying and taking up tracks for temporary use in construction, except the cost of labor expended on tracks provided for the protection of traffic during the progress of addition and betterment work. Office expenses and traveling and other personal expenses of employees, when borne by the carrier, shall be considered a part of the cost of the labor, as shall also the cost of fidelity bonds and employers' liability insurance premiums. When officers or employees are specially assigned to construction work, their pay and their traveling and incidental expenses while thus engaged shall be included in the cost of the work. No charge shall be made against road and equipment accounts for the pay of officers and employees who merely render services incidentally in connection with extensions, additions, or betterments, although traveling and incidental expenses incurred by such officers and employees solely on account of such work shall be included in the account to which the cost of the work is chargeable.

(b) "Cost of materials and supplies" includes the purchase price of materials and supplies, including small tools, at the point of free delivery, plus the cost of inspection and loading assumed by the carrier; also a suitable proportion of store expenses. (See § 10.04-16 *Material store expenses* and § 10.04-17 *Stationery store expenses*.) In calculating the cost of materials used, proper allowance shall be made for the value of unused portions and of cuttings, turnings, borings, etc.; for the value of the material recovered from temporary tracks, scaffolding, cofferdams, and other temporary structures used in construction; and for the value of small tools recovered and used for other purposes.

(c) "Cost of work-train service" includes amounts paid to others for rent and maintenance of equipment used; cost of labor of enginemen, trainmen, and enginehousemen, including wages of engine crews and train crews held in readiness for such service; and cost of fuel and other supplies consumed in connection with the operation of work trains. It shall also include the cost of maintaining the carrier's own equipment used in construction service. However, no rent or return upon the investment in such equipment shall be included as a part of the cost of work-train service.

(d) "Cost of special machine service" includes the cost of labor expended and of materials and supplies consumed in maintaining and operating steam shovels, scrapers, rail unloaders, ballast unloaders, pile drivers, dredges, ditchers, weed burners, and other labor-saving machines; also rents paid for use of such machines. (See Note A under account 37, "Roadway machines," and tenth paragraph of general account 50, "Equipment.")

(e) "Cost of transportation" includes the amounts paid to other companies or individuals for the transportation of men, materials and supplies, special machine outfits, appliances, and tools in connection with construction. Freight charges paid foreign lines for the transportation of construction material to the carrier's line shall be included, so far as practicable, as a part of the cost of the material.

(f) "Cost of contract work" includes amounts paid for work performed under contract by other companies, firms, or individuals, and costs incident to the award of the contract.

(g) "Cost of protection from casualties" includes expenditures for protection against fire, such as payments for discovery or extinguishment of fires, cost of detecting and prosecuting incendiaries, witness fees in relation thereto, amounts paid to municipal corporations and others for fire protection, and other analogous items of expenditure in connection with construction work.

(h) "Cost of injuries and damages" includes expenditures on account of injuries to persons or damage to property when incident to construction projects, and shall be included in the cost of the work in connection with which the injury or damage occurs. It also includes that portion of premiums paid for insuring property applicable to the period prior to the completion or coming into service of the property insured. Insurance recovered on account of compensation paid for injuries to persons incident to construction shall be credited to the accounts to which such compensation is charged, and insurance recovered on account of damages to property incident to construction shall be credited to the accounts chargeable with the expenditures necessary for restoring the damaged property. The cost of injuries and damages incident to the removal of old structures, or parts thereof, shall be charged to operating expenses, except that such costs in con-

nection with the removal of old structures which are incumbrances on newly acquired lands shall be included in account 2, "Land for transportation purposes," or 3, "Grading," as may be appropriate. (See § 10.01-7 *Road property retired*.)

(i) "Cost of privileges" includes compensation for temporary privileges, such as the use of public property or streets, in connection with the construction of the property of the carrier.

§ 10.01-5 *Excavated material*. The cost of disposing of material excavated in connection with construction shall be considered as a part of the cost of the work, except that when such material is used for filling, the cost of removal and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used.

§ 10.01-6 *Items to be credited*. To these accounts shall be credited the ledger value of property retired.

"Ledger value of property" is the value at which the property is carried in the property investment account in the general ledger of the carrier. In case the value of any item of property is not shown separately in the ledger the ledger value of that item shall be its proportionate share of the value of the entire group in which the particular property is included.

"Property retired" means a unit of property whether replaced or not and a minor item not replaced, which is sold, abandoned, demolished, dismantled, or otherwise withdrawn from transportation service.

§ 10.01-7 *Road property retired*. (a) When a unit of road property, other than land, is retired from service, or a minor item is retired and not replaced, the ledger value of the unit or minor item shall be credited to the appropriate road accounts of this classification at the time of retirement from service. The amount of this credit shall be charged concurrently as follows:

(1) *For depreciable property*. The service value (ledger value less value of salvage) shall be charged, and insurance recovered, if any, shall be credited to account 702½C, "Accrued depreciation—Road." The charge for the salvage shall be in accordance with the disposition of the material recovered. The

cost of dismantling or demolishing the property, if borne by the carrier, shall be charged to account 270, "Dismantling retired road property," or account 306, "Dismantling retired shop and power plant machinery," as may be appropriate.

**NOTE:** When property included in the depreciable accounts but excluded from the depreciation base is retired, the service value (including engineering expenditures assignable to the retired property but not included in the depreciation base) shall be charged to operating expenses.

(2) *For nondepreciable property.* The service value (ledger value less value of salvage) shall be charged to account 267, "Retirements; Road." The cost of dismantling or demolishing the property, if borne by the carrier, shall be charged to account 270, "Dismantling retired road property." The charge for the salvage shall be in accordance with the disposition of the material recovered.

An equitable proportion of any balances carried in accounts 72 to 77, inclusive, applicable to the road property retired, shall be credited thereto concurrently and charged to account 267, "Retirements; Road."

**NOTE:** For parts (minor items) of road property retired and replaced for both depreciable and nondepreciable accounts the cost of replacement including cost of removal, shall be charged to the accounts in operating expenses appropriate for the cost of repairing such property.

(b) The term "service value" as applied to road property means the ledger value thereof less the value of the salvage recovered therefrom.

(c) The term "minor item" as applied to road property means the associated parts of which units of road property are composed.

(d) The term "value of salvage" means the amount received for property retired, or for the material salvaged therefrom if sold; or if retained, the value at which the property or the material salvaged therefrom is chargeable to account 716, "Material and supplies," or other accounts of this system of accounts. When such material is retained and again used by the carrier, the value shall be determined by deducting a fair allowance for depreciation from current prices of the material as new. If the retired property is held without being torn down the estimated value of the salvage therefrom shall be included in account 722, "Other

deferred assets," until the salvage is recovered.

(e) The term "unit of road property" means any structure or item of property that is physically distinct or separate, or any substantial part of a composite or continuous structure (except tracks) such as a bridge, a trestle, a snowshed, or right-of-way fence, the original cost of which can be readily ascertained with reasonable accuracy. With respect to buildings it means the entire structure including component parts. The foregoing is intended as a guide in determining what is a unit of road property and should be regarded as representative only.

(f) *Leased property.* When a unit of road property used but not owned, other than land, the rent for which is includible in account 542, "Rent for leased roads and equipment," is retired from service, or a minor item is retired and not replaced, the service value of nondepreciable property shall be charged to account 267, "Retirements; Road," by the lessee and the service value of depreciable property shall be charged to the depreciation reserve account by either the lessee or lessor, as appropriate. If under terms of the lease the lessor is obligated to reimburse the lessee for additions and betterments and is credited with the ledger value of retired property, the lessor shall credit the ledger value of the retired property to account 701, "Road and equipment property." If under terms of the lease the lessee bears the cost of additions and betterments without reimbursement and is not obligated to reimburse the lessor for the ledger value of retired property, the lessee shall credit the ledger value to account 702, "Improvements on leased property." The salvage shall be accounted for by the company that has title thereto and charged in accordance with the disposition of the material recovered.

When the lessee makes settlement with the lessor currently for retirements of property leased, the lessee shall credit to account 706, "Investments in affiliated companies," or 707, "Other investments," as applicable, the service value of nondepreciable property charged to account 267, "Retirements; Road," and the lessor shall make corresponding charge to account 757, "Amounts payable to affiliated companies," or other liability accounts, as may be appropriate.



The lessee shall furnish the lessor such information as is required to perform the necessary accounting.

§ 10.01-9 *Equipment retired.* The instructions for accounting for equipment retired are contained in the text of general account 50, "Equipment."

§ 10.01-10 *Land retired.* When any land, the cost of which is included in the accounts of this classification, is retired, the ledger value shall be credited to account 2, "Land for transportation purposes." If the land is retained by the carrier, its estimated value shall be charged to balance-sheet account 705, "Miscellaneous physical property," the necessary adjustment of the difference between the ledger value and the estimated value on account of the loss in the property due to its retirement from transportation service shall be made through account 621, "Miscellaneous debits". If sold, the difference between the ledger value credited to account 2 and the amount received for the land shall be adjusted through accounts 607, "Miscellaneous credits," or 621, "Miscellaneous debits," as appropriate.

§ 10.01-11 *Adjustment for converted property.* If a unit of equipment by its transfer from one class of service to another, with or without physical conversion, becomes includible in a primary investment account other than that in which it has been carried, it shall be accounted for as retired. (See the text of general account 50, "Equipment.")

In accounting for the retirement of such a unit the retirement accounting should be on a basis consistent with the accounting which would be proper if the carrier were to make no further use of it, as in the case of demolition or sale. Following this principle, the salvage value to be used in arriving at the service value shall be the ledger value of the unit less an allowance to reflect consumed, expired or lost usefulness and in no case shall it be less than the estimated value of the scrap and reusable parts which would be recovered if the unit were dismantled. In arriving at this salvage value, the amount which would have been paid, had the old unit in its second-hand condition been purchased from another company, and the further use which it is contemplated will be made of the unit after conversion, are factors to be given consideration.

In accounting for the unit as converted, its ledger value shall be the estimated

salvage value used in the retirement accounting less any salvage recovered and not used in the conversion process plus all expenditures for labor and material necessary to fit the unit for its future use, but not in excess of the cost (at current market prices of labor and material) of a new unit of equal capacity and equal expectation of life in service, less a suitable allowance on account of the second-hand portions remaining therein.

**NOTE:** The procedure outlined in the foregoing with regard to the transfer of equipment from one class of service to another shall be followed in accounting for fixed property when by its transfer from one class of service to another it becomes includible in a primary investment account other than that in which it has been carried.

§ 10.01-12 *Expenses in connection with additions and betterments.* The cost of removing old material from equipment and from buildings, bridges, wharves, tracks, and other fixed improvements, shall be charged to the appropriate operating expense accounts. Such charges shall include the cost of removing old foundations and filling old excavations, and restoring condition of grounds after addition and betterment work; and maintaining or protecting traffic during the progress of addition and betterment work, including the cost of constructing, maintaining, and removing temporary tracks required for maintaining traffic during the progress of the work.

§ 10.01-13 *Interpretation of item lists.* Lists of "items," "details," etc., have been given as a part of this classification for the purpose of clearly indicating the application of the accounting rules in specific cases. The lists in every case are to be considered as merely representative, and not as excluding from any account analogous items which happen to be omitted from the list appended. On the other hand, the appearance of an item in a list warrants the inclusion of the item in the account concerned only when the text of the account also indicates inclusion, inasmuch as the same item frequently appears in more than one list. The item of boilers, for example, will be found under accounts 18, 27, 37, 44, and 45, and the proper charge in any one instance must be determined by the text of the account.

§ 10.01-14 *Submission of questions.* To the end that uniformity of accounting may be maintained from year to

year, carriers shall submit all questions of doubtful interpretation of the accounting rules to the Commission for consideration and decision.

### PROPERTY ACCOUNTS

#### ROAD

§ 10.0 *Road.* The several primary accounts included in this general account are designed to show the cost of land and road property owned by the carrier and devoted to transportation service.

§ 10.1 *Engineering.* This account shall include the pay and expenses of engineers, assistants, and clerks engaged in the survey and construction of new lines and extensions, or in making additions to and betterments of the carrier's road, including wharves and docks.

#### LIST OF OFFICERS AND EMPLOYEES

Chief engineer.	Levelmen.
Assistant engineers.	Rodmen.
Bridge engineer.	Chalmers.
Signal engineer.	Axmen.
Architects.	Messengers.
Chief clerk.	Cooks on business cars.
Draftsmen.	Porters on business cars.
Clerks.	
Transitmen.	

#### ITEMS OF EXPENSE AND SUPPLIES

Atlases and maps.	Plummets.
Axes.	Printing and stationery.
Barometers.	Protractors.
Books for office use.	Provisions for business cars.
Boxes for materials and instruments.	Ranging poles.
Business car service.	Reading glasses.
Cameras.	Rent of offices.
Camp equipage.	Repairs of rented offices.
Chains for surveyors.	Rods for surveyors.
Compasses.	Scales.
Curves.	Section liners.
Drawing boards.	Sextants.
Drawing instruments.	Slide rules.
Field glasses.	Stakes.
Field notebooks.	Straightedges.
Furniture repairs and renewals.	Tally registers.
Hatchets.	Tape lines.
Heating and lighting.	Tee-squares.
Levels.	Telegraph service.
Magnets.	Telephone service.
Magnifiers.	Telescopes.
Marking chalk.	Thermometers.
Official train service.	Thumb tacks.
Oilstones.	Tracing linen.
Paper, blue-print.	Transits.
Parallel rules.	Traveling expenses.
Periodicals and newspapers.	Traverse tables.
Photographic supplies.	Triangles.
Plane tables.	Tripods.
Planimeters.	Verniers.
	Water and ice.

NOTE A: When employers designated above are engaged in the maintenance of the road, their pay and expenses while thus employed shall be charged to operating expenses.

NOTE B: Expenditures for tentative or preliminary surveys shall be carried in a suspense account until it is determined whether or not to continue the work. If the project is continued, expenditures for all surveys in connection therewith shall then be transferred to this account, and, if abandoned, to operating expenses, income, or profit and loss, as may be appropriate.

NOTE C: The cost of designing, making plans and specifications, and supervising the construction of equipment shall be included in the cost of the equipment.

NOTE D: The cost of stationery and printing supplies used for accounting purposes in connection with engineering work shall be included in account 74, "Stationery and printing," when not directly assignable to specific road or equipment accounts.

NOTE E: Fees and expenses of architects specially employed for designing or supervising the construction of buildings shall be included in the accounts appropriate for the cost of the buildings constructed.

§ 10.2 *Land for transportation purposes.* This account shall include the cost of land of necessary width acquired for roadway; the cost of land for station, office, shop, and other grounds; for ingress to or egress from such grounds; for borrow pits, waste banks, snow fences, sand fences, and other railway appurtenances; and for storage of material adjoining the right of way; the cost of land for wharves and docks and the cost of riparian or water rights necessary therefor; the cost of removing from the right of way and locating elsewhere the property of others, and the cost of the necessary land for relocation of the property, when such costs are assumed by the accounting carrier.

The carrier's records shall be kept in such manner as to show separately the cost of land purchased by it and the estimated values at time of acquisition of lands donated.

Proceeds from the sale of timber or of improvements purchased with right of way, less any cost of removal, shall be credited to this account.

#### ITEMS OF EXPENSE

Abstracts.  
Appraisals.  
Arbitrators in condemnation cases.  
Commissions paid to others.  
Condemnation expenses, including court costs and special counsel fees.  
Damages to property of others.  
Deferred payments for right of way.

Ditches for waterways when part of consideration.

Judgments and decreed costs to clear or defend titles.

Notarial fees.

Plats.

Premiums on condemnation bonds.

Recording deeds.

Payments for relinquishment of cattle passes and other rights.

Removal and relocation of buildings and other structures not purchased.

Rent of land when part of consideration for purchase.

Right-of-way agents' compensation (engaged solely in acquiring right of way).

Taxes accrued and assumed at time of purchase.

**NOTE:** The cost of land acquired in excess of that necessary for transportation operations shall be included in balance-sheet account 705, "Miscellaneous physical property." When the purchase of land acquired for transportation operation involves the purchase of land not used for such purposes the charges to this account shall be based upon the estimated cost of only that portion which is used for such purposes, and the cost of the remaining land shall be included in account 705, "Miscellaneous physical property." Only the actual cost borne by the carrier for right of way and other lands acquired through vacation of streets and highways shall be included in this account. No donations should be considered as involved in the acquisition of such property.

**§ 10.2½ Other right-of-way expenditures.** This account shall include the cost (in excess of cost of railway facilities installed, if any) actually borne by the carrier of improvement projects (other than public improvement projects), such as the construction of canals, farm and other private passes, pipe lines, drains, and other facilities across the carrier's right of way.

**§ 10.3 Grading.** This account shall include the cost of clearing and grading the roadway, and of constructing protection for the roadway, tracks, embankments, and cuts.

When a part of a bridge or trestle, or the entire structure, is converted by filling into an earth embankment, and the bridge is used in lieu of a temporary trestle for the purpose of filling, the estimated cost of such temporary trestle shall be included in the cost of the filling, and charged to this account. (See Note A, under account 6, "Bridges, trestles, and culverts.")

When a tunnel is converted into an open cut, the cost of clearing, grubbing, and excavating shall be included in this account.

#### DETAILS OF ROADBED AND ITEMS OF EXPENSE

Advertising for contractors' bids.

Berm ditches.

Blasting.

Breakwaters.

Bulkheading.

Clearing land.

Cribbing.

Dikes (including those of earthen construction which are intended to function indefinitely).

Ditches (not required by right-of-way agreement).

Dressing slopes.

Excavation for conversion of tunnels into open cuts.

Filling bridges, trestles, and culverts.

Grading outfits.

Grubbing land.

Material taken from borrow pits.

New channels for streams.

Operation of steam shovels.

Payments for privilege of wasting material on the property of others.

Payments for waste banks off the right-of-way.

Retaining walls.

Revetments.

Riprap.

Spoil banks.

Temporary restling for fills.

Tools for grading.

Wing dams.

**§ 10.5 Tunnels and subways.** This account shall include the cost of tunnels and subways for the passage of trains, including apparatus for ventilating and lighting, and safety devices therein, other than signals.

**NOTE A:** The cost of tracks, including guard rails, in tunnels shall not be charged to this account.

**NOTE B:** Station subways not highway crossings are includible in account 16, "Station and office buildings."

**NOTE C:** If a tunnel be converted into an open cut the accounting shall be in accordance with § 10.01-11 *Adjustment for converted property.*

**§ 10.6 Bridges, trestles, and culverts.** This account shall include the cost of the substructure and superstructure of bridges, trestles, and culverts which carry the tracks of the carrier over watercourses, ravines, public and private highways, and other railways.

#### DETAILS OF BRIDGE STRUCTURES

Abutments.

Bridge signs.

Cofferdams.

Concrete and masonry ends for culverts.

Cribs.

Decking, including gravel for fire protection.

Dike protection.

Drainage systems.

Draw protection.

Drawbridge engines and machinery.

False work.  
Guard timbers.  
Ice breakers.  
Painting (except re-  
painting).  
Pier protection.  
Piers and founda-  
tions.  
Pipe culverts.  
Retaining walls.

Riprap around abut-  
ments.  
Riprap at culvert  
ends.  
Supports.  
Water channels.  
Waterproofing.  
Wing dams.  
Wing walls.

**NOTE A:** When a part of the entire structure of a bridge or trestle is converted, by filling, into an earth embankment, the ledger value of the structure, or of the portion thereof filled, shall be credited to this account. In case the bridge or trestle is used in lieu of a temporary trestle for the purpose of filling, the estimated cost of such temporary trestle shall be charged to account 3, "Grading." The ledger value of the structure or portion thereof, filled, less the value of the salvage and the estimated cost of trestle charged to account 3, shall be charged to account 702½ C.

**NOTE B:** The cost of bridges to carry the carrier's tracks over undergrade crossings, including the necessary piers and abutments to sustain them shall be included in this account. (See "Cost" in paragraph (c) of § 10.01-2 *Items to be charged.*)

**§ 10.7 Elevated structures.** This account shall include the cost of elevated structures and foundations of elevated railway systems.

This account is applicable to structures other than earthwork, which are for the purpose of elevating tracks above the grade of streets, and which are not properly classable as bridges or trestles.

**NOTE:** The cost of stations and other structures built on elevated structures shall be accounted for according to the class of the structure thus superimposed and not in this account.

**§ 10.8 Ties.** This account shall include the cost of cross, switch, bridge, and other track ties used in the construction of tracks for the movement or storage of locomotives and cars (including tracks in shops, fuel stations, supply yards, etc.), and the cost of additional ties subsequently laid in such tracks; also the excess cost of metal ties used in repairs of track over the cost to replace in kind wooden ties removed.

The cost of handling ties in general supply and storage yards shall be included as store expenses apportioned to this account when the ties are used for construction purposes.

**NOTE A:** The cost of labor for unloading, distributing, and placing the ties in tracks, and the cost of train service in connection with the distribution of ties laid shall be

charged to account 12, "Track laying and surfacing."

**NOTE B:** The cost of ties used in the construction of car floats shall be included in the cost of such floating equipment, and the cost of ties used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

**§ 10.9 Rails.** This account shall include the cost of rails used in the construction of tracks for the movement or storage of locomotives and cars (including tracks in shops, fuel stations, supply yards, etc.), and the cost of the excess in weight of heavier rails laid in replacement of lighter rails.

The cost of handling rails in general supply and storage yards shall be included as store expenses apportioned to this account when the rails are used for construction purposes.

To this account shall be credited the cost (at current prices at time of removal) of the excess weight of heavier rails replaced with lighter rails.

**NOTE A:** The cost of labor for unloading, distributing, and placing the rails in tracks, and of train service in connection with the distribution of the rails, shall be charged to account 12, "Track laying and surfacing."

**NOTE C:** The cost of rails used in the construction of car floats shall be included in the cost of such floating equipment, and the cost of rails used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

**§ 10.10 Other track material.** This account shall include the cost of material used in the construction of tracks for the movement or storage of locomotives and cars (including tracks in shops, fuel stations, supply yards, etc.), except ballast and material chargeable to foregoing accounts; also the excess cost of heavier or improved "other track material" used in repairs of tracks over the cost of replacing in kind such material removed.

The cost of handling "other track material" in general supply and storage yards shall be included as store expenses apportioned to this account when such material is used in the construction of new tracks.

#### ITEMS OF OTHER TRACK MATERIAL

Angle bars.	Crossings for steam
Anticreepers.	and electric rail-
Bumping posts.	ways, includ-
Compromise joints.	ing foundations or
Connecting rods.	bases.



Derails.	Rail splices.
Frog blocking.	Splice bars.
Frogs.	Step chairs.
Guard-rail blocking.	Switch chairs.
Guard-rail clamps.	Switch crossings.
Guard-rail fasteners.	Switch lamps.
Guard rails, switch and other.	Switch locks and keys.
Main rods.	Switch points.
Nut locks.	Switch stands.
Nuts.	Switch targets.
Offset bars.	Switches.
Rail braces.	Tie plates.
Rail chairs.	Tie plugs.
Rail clips.	Tie rods.
Rail joints.	Track bolts.
Rail rests.	Track insulators.
Rail shims.	Track spikes.

NOTE A: The cost of labor and train service for distributing, unloading, and applying "other track material" shall be charged to account 12, "Track laying and surfacing."

NOTE B: No entry is required in this account with respect to improved "other track material" unless installed under a definite plan of changing standards, such as increasing the weight of rail.

NOTE C: The cost of "other track material" used in the construction of car floats shall be included in the cost of such floating equipment, and the cost of such track material used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

**§ 10.11 Ballast.** This account shall include the cost of gravel, stone, slag, cinders, sand, and like material used in ballasting tracks (including tracks in shops, fuel stations, supply yards, etc.) not previously ballasted, including cost of work-train service and of unloading; cost of ballast applied in excess of ballast required to restore to its maximum height and width the ballast previously put on the roadbed; and the excess cost of improved ballast used in renewals over the cost to replace in kind to the original height and width the ballast removed. Charges to this account shall not exceed the cost of ballast applied to a depth of 24 inches beneath the tie, unless otherwise authorized by the Commission. (§ 10.04-11 *Gravel and sand pits and quarries* applies to the accounting for pits from which ballast material is obtained either for construction work or for maintenance, or for both.)

NOTE A: The cost of ballast used in the construction of temporary tracks, such as gravel-pit and quarry tracks, shall be included in the appropriate clearing accounts.

NOTE B: Earth placed to form a crown in the middle of the track is not to be considered as ballast.

NOTE C: The cost of ballast material placed on the decking of bridges solely for fire-protection purposes shall be included in account 6, "Bridges, trestles, and culverts."

NOTE D: No charge shall be made to the accounts of this classification representing the value of cinders accumulated by the carrier.

**§ 10.12 Track laying and surfacing.** This account shall include the cost of distributing (including train service), laying, and adjusting ties, rails, and other track material used in the construction of tracks for the movement or storage of locomotives or cars, including repair tracks, but not tracks on car floats or temporary tracks the cost of which is chargeable to clearing accounts. It shall also include the cost of the labor expended in placing ballast in tracks not previously ballasted.

NOTE A: The cost of distributing and adjusting ties, rails, ballast, and other track material for repairs shall be charged to operating expenses, both when such materials are replaced in kind and when replaced with improved and heavier material.

NOTE B: The cost of work-train service in delivering ballast and of unloading such material is provided for in account 11, "Ballast."

**§ 10.13 Fences, snowsheds, and signs.** This account shall include:

(a) *Fences.* The cost of right-of-way fences and snow and sand fences, farm gates, cattle guards, wing fences, aprons, and hedges, on property not previously fenced, excluding those around stockyards, fuel stations, station and shop grounds, and building sites.

(b) *Snowsheds.* The cost of snowsheds, including initial cost of planting trees for protecting tracks from snow.

(c) *Signs.* The initial cost of signs other than those for identification of bridges, signals, stations, and other structures.

#### SIGN ITEMS

Boundary signs.	Section-limit signs.
Bridge-caution signs.	Slow or stop signs.
Crossing signs.	Tunnel - c a u t i o n signs.
Curve and elevation markers.	Water-station signs.
Division-limit signs.	Water-trough signs.
Mileposts.	Whistle signs.
Monuments.	Yard-limit signs.
Safety-first signs at crossings.	

NOTE A: The cost of fences (other than right-of-way boundary fences) around stock yards, fuel and water stations, and other building sites, shall be charged to the accounts appropriate for the cost of the structures.

**NOTE B:** The cost of signs for identifying bridges, signals, stations, and other structures shall be included in the account appropriate for the cost of the structures.

**NOTE C:** The cost of crossing signals, including crossing gates, shall be included in account 27, "Signals and interlockers."

**NOTE D:** It shall also include the cost of replacing units of such property or substantial parts of fences or snowsheds the original cost of which were charged to this account.

**§ 10.16 Station and office buildings.** This account shall include the cost of station and office structures, their fixtures, appurtenances, and furniture necessary first to equip the buildings for use.

#### STATION AND OFFICE STRUCTURES AND DETAILS

Baggage rooms.  
Breakwaters for protection of buildings.  
Buildings and rooms for trainmen.  
Buildings on piers.  
Call bells.  
Coal bins.  
Coal transferring machinery (not on coal and ore wharves).  
Coal trestles (not at fuel stations).  
Commissarial buildings.  
Drainage and sewerage systems.  
Dwellings.  
Eating houses.  
Electric wiring.  
Elevators and machinery.  
Express buildings.  
Fences.  
Fire-engine houses.  
Freight cranes.  
Freight derricks.  
Freight handling machinery.  
Freight houses.  
Garages.  
Gas-supply systems.  
General office buildings.  
Grain cribs.  
Grain elevators.  
Grain warehouses.  
Greenhouses.  
Hay houses.  
Heating plants.  
Hedges.  
Hoisting engines, for handling freight.  
Hose houses.  
Ice houses.  
Lighting plants.  
Mall cranes.  
Milk stands.  
Office buildings.  
Ore-transferring machinery.  
Outhouses.  
Pavement within ground limits.  
Platforms, freight.  
Platforms, passenger, including planking between tracks.  
Power distribution systems, interior.  
Reading rooms.  
Rooms for Y. M. C. A.  
Scale houses.

Sidewalks.  
Stables.  
Station footbridges (not highway crossings).  
Station intertrack fences.  
Station platforms.  
Station signs.  
Station stairways.  
Station subways (not highway crossings).  
Station power houses.  
Stations, freight.  
Stations, passengers.  
Stock pens.  
Storehouses.  
Telegraph offices.  
Telpher systems.  
Track scales.  
Transfer houses.  
Transfer platforms.  
Waiting rooms.  
Warehouses.  
Washrooms.  
Water-supply systems.  
Yard offices.

**NOTE A:** Office buildings used exclusively in connection with maintenance of way shall be included in account 17, "Roadway buildings." Those used exclusively in connection with maintenance of equipment shall be included in account 20, "Shops and engine-houses."

**NOTE B:** The cost of grading and preparing grounds, both before and after the construction of station and office buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

**§ 10.17 Roadway buildings.** This account shall include the cost of roadway shops and other roadway buildings, including drainage, water, gas, and sewer pipes and connections; and all machinery, fixtures, and furniture to equip the building ready for use.

#### LIST OF ROADWAY BUILDINGS

Bins for material.  
Blacksmith shops.  
Boarding houses.  
Breakwaters for protection of buildings.  
Carpenter shops.  
Dwellings.  
Fire-engine houses.  
Frog shops for repair of track material.  
Hand-car houses.  
Lighting plants.  
Lumber sheds.  
Offices.  
Outhouses.  
Planing mills.  
Rail shops for repair of track material.

Repair shops.  
Scrap bins.  
Section dwelling houses.  
Stables.  
Storehouses.  
Tool houses.  
Watch houses.

**NOTE:** The cost of grading and preparing grounds both before and after the construction of roadway buildings, and the cost of constructing sidewalks, driveways, and fences thereon shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

**§ 10.18 Water stations.** This account shall include the cost of structures, facilities, and appliances necessary to equip for service, stations for supplying water. The cost of analyses of water preliminary to the establishment of water stations shall be included in this account.

#### WATER STATION STRUCTURES AND DETAILS

Boilers.	Settling basins.
Breakwaters for protection of buildings.	Stationary engines.
Buildings on piers.	Steam pipes.
Cisterns.	Tanks and foundations.
Dams.	Test wells.
Fences.	Track tanks.
Outhouses.	Tubs.
Penstocks.	Water cranes.
Pump houses.	Water pipe lines.
Pumps.	Water - treating plants.
Purifying plants.	Wells.
Reservoirs.	Windmills.

**NOTE A:** The cost of water stations used solely for supplying water to shops, power plants, stations, hotels, tenement houses, or section houses shall be charged to the appropriate accounts relating to the property so supplied.

**NOTE B:** The cost of a temporary water station established only for use during the construction period shall be included in the primary accounts to which is charged the cost of the work in connection with which the water station is used.

**NOTE C:** The cost of grading and preparing grounds both before and after the construction of water station buildings, and the cost of constructing sidewalks, driveways, and fences thereon shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating

expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

**§ 10.19 Fuel stations.** This account shall include the cost of structures, facilities other than tracks, and appliances necessary to equip for service, stations for supplying fuel to locomotives and floating equipment.

#### FUEL STATION STRUCTURES AND DETAILS

Breakwaters for protection of buildings.	Fuel-oil columns.
Buckets.	Fuel-oil plants.
Buildings on piers.	Fuel-oil pumps.
Coal buckets.	Fuel-oil sumps.
Coal buggies.	Fuel-oil tanks.
Coal hoists.	Fuel platforms.
Coal pockets and chutes.	Fuel wharves.
Dumping machinery.	Inclines.
Elevating machinery.	Outhouses.
Fences.	Scales.
Fuel houses or stations.	Sheds.
	Stationary engines.
	Tipple cars.
	Weighing apparatus.
	Wood racks.

**NOTE A:** The cost of fuel stations, coal houses, etc., used solely for supplying fuel to shops, power plants, stations, hotels, tenement houses, or section houses shall be charged to the appropriate accounts relating to the property so supplied.

**NOTE B:** The cost of a temporary fuel station established only for use during the construction period shall be included in the primary accounts to which is charged the cost of the work in connection with which the fuel station is used.

**NOTE C:** The cost of grading and preparing grounds both before and after the construction of fuel station buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

**§ 10.20 Shops and enginehouses.** This account shall include the cost of buildings to be used as shops, enginehouses, and storehouses for material for maintenance of equipment; foundations, except those special to particular machines and other apparatus; furniture and fixtures other than equipment chargeable to account 44, "Shop machinery"; drainage, sewerage, and water-supply systems; and plants for heat and light.

**SHOP AND ENGINEHOUSE STRUCTURES AND DETAILS**

<b>Air - compressor houses.</b>	Motor-crane tracks.
<b>Ash pits and pockets.</b>	Offices, shop.
<b>Ash plants.</b>	Oil houses.
<b>Bins for material.</b>	Outhouses.
<b>Blacksmith shops.</b>	Paint shops.
<b>Breakwaters for protection of buildings.</b>	Pipe lines, air, interior.
<b>Buildings on piers.</b>	Pipe lines, car-heating.
<b>Car sheds.</b>	Pipe lines, gas, interior.
<b>Car shops.</b>	Planing mills.
<b>Carpenter shops.</b>	Platforms, shop and yard.
<b>Cinder pits.</b>	Repair shops.
<b>Cinder pockets.</b>	Sand houses.
<b>Drop pits.</b>	Scale houses.
<b>Dry houses.</b>	Scrap bins.
<b>Electric - power distribution systems within buildings.</b>	Sidewalks.
<b>Enginehouses.</b>	Stables.
<b>Fire-engine houses.</b>	Steam - distribution systems, interior.
<b>Footbridges (not public highways).</b>	Storehouses.
<b>Foundries.</b>	Tanks, gas.
<b>Gas - compressor houses.</b>	Tanks, oil.
<b>Heating plants.</b>	Test rooms.
<b>Hose houses.</b>	Tin shops.
<b>Ice houses.</b>	Tool houses.
<b>Laboratories.</b>	Track scales.
<b>Lighting plants.</b>	Transfer tables.
<b>Lumber sheds.</b>	Turntables.
<b>Machine shops.</b>	Upholstering shops.
<b>Material and supply truck tracks.</b>	Warehouses.
	Wash rooms.
	Watch houses.

**NOTE A:** The cost of distinct power plant buildings for shop purposes shall be included in account 29, "Power plants." The cost of distribution systems leading from such power plants to shops and enginehouses shall be included in account 31, "Power-transmission systems."

**NOTE B:** The cost of grading and preparing grounds both before and after the construction of shop and enginehouse buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

**NOTE C:** The cost of shop buildings devoted solely to the maintenance of way and structures shall be included in account 17, "Roadway buildings."

**§ 10.21 Grain elevators.** This account shall include the cost of structures, including the cost of conveyors, machinery, and fixtures which the railway com-

panies operate for the transfer, treatment, and storage of grain.

The buildings referred to in this account are not small storage elevators at stations where grain is received for shipment, etc., but large elevators in which grain is stored for various owners.

**NOTE A:** Small storage elevators at way stations are classed as station buildings.

**NOTE B:** The cost of grading and preparing grounds both before and after the construction of grain-elevator buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

**NOTE C:** The cost of grain elevators leased to noncarriers shall be included in account 705, "Miscellaneous physical property."

**§ 10.22 Storage warehouses.** This account shall include the cost of storage warehouses, including machinery and fixtures therein.

The buildings herein referred to are not the ordinary freight warehouses or stations where freight is received for shipment, etc., but warehouses in which merchandise is stored and which the railway companies operate as storage warehouses.

**NOTE A:** The cost of grading and preparing grounds both before and after the construction of storage warehouse buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

**NOTE B:** The cost of warehouses leased to noncarriers shall be charged to account 705, "Miscellaneous physical property."

**§ 10.23 Wharves and docks.** This account shall include the cost of wharves, docks, dry docks, slips, float bridges, and other landings for vessels, including the cost of necessary dredging, and the cost of float-bridge machinery; also the cost of piling, pile protection, cribs, cofferdams, walls, and other necessary devices and apparatus for the operation or protection of wharves and docks.

## DETAILS OF WHARVES AND DOCKS

Bridge pontoons.	Ferry bridges.
Bulkheads.	Ferry racks.
Caissons.	Ferry slips.
Cribwork.	Jetties.
Dry docks.	Jetty inclines.
Ferry - bridge ma-	Transfer-bridge ma-
chinery.	chinery.
	Transfer bridges.

**NOTE A:** The cost of coal and ore wharves and docks shall be included in account 24, "Coal and ore wharves."

**NOTE B:** The cost of the land on which wharves are built and cost of riparian or water rights for wharves and docks shall be charged to account 2, "Land for transportation purposes."

**NOTE C:** The cost of buildings located on wharves shall be included in the accounts appropriate for the class of buildings.

**NOTE D:** The cost of grading and preparing grounds both before and after the construction of wharves (other than coal and ore wharves) and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the wharves, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the wharves.

**§ 10.24 Coal and ore wharves.** This account shall include the cost of wharves and docks for the transfer, treatment, blending, or storage of coal or ore, including the cost of necessary dredging and of conveyors, machinery, and fixtures.

**NOTE A:** The structures referred to in this account do not include small transfer or storage trestles or wharves at stations where coal is stored or delivered, such trestles being classed as station buildings.

**NOTE B:** The cost of grading and preparing grounds both before and after the construction of coal and ore wharves, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the wharves, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the wharves, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the wharves.

**§ 10.26 Communication systems.** This account shall include the cost of telegraph, telephone, radio, radar, inductive train communication, and other communication systems, including terminal equipment.

Details of telegraph and telephone terminal equipment:

Batteries.	Fuses and mechanical protectors.
Cables and wires, interior.	Rectifiers.
Carrier terminating equipment.	Rheostats.
Conduits, interior.	Sending and receiving instruments.
Connecting wires.	Switchboards.
Current - controlling instruments.	Telegraph repeaters.
Electric generators and motors.	Telephone repeaters.
Electric meters.	Teletypewriters.
Engines, stationary.	Testing outfits.
	Transformers.

Details of telegraph and telephone outside plant:

Aerial attachments.	Guy stubs.
Braces.	Guy wires.
Brackets.	Insulators.
Cable boxes and appurtenances.	Load coils.
Cables and wires, aerial.	Poles.
Conduits and appurtenances.	Submarine cables and connections.
Cross arms.	Telephone pole boxes.
Gas and associated facilities for cables.	Towers.
	Underground cables and connections.

Details of radio, radar, and inductive train communication equipment:

Aerials or antenna, and attachments.
Buildings or towers used exclusively for wireless.
Control units.
Power generating, converting, or supply equipment.
Radar console and associated equipment.
Roadside or office equipment for all wireless systems operated on special channels between train and train, train and tower or office, or between ship and shore.
Specialized testing and repair equipment.
Transmitters and receivers, including mobile units.

**NOTE A:** Radio, radar or trainphone equipment (except portable apparatus) which is permanently attached to locomotives, cars, work equipment, or other rolling stock or floating equipment shall be included in the same accounts as the equipment on which installed. Wireless sets for instruction, advertising, or entertainment shall be included in the same accounts as the building in which located.

**NOTE B:** Communication systems of limited extent, not connected with other systems, used for special purposes and usually installed within a single building, group of buildings, or within the limits of a station or shop layout or yard, shall be included in the same account as the building in which located or in the account appropriate for the service with which associated.

## ITEMS

Buzzers, bells, dictaphones or other inter-office communication systems in an office or group of buildings.  
 Loud speakers, bells, or whistles in shop and other yards.  
 Loud speakers, public address devices, press button control lights, telautograph or other systems in stations or on platforms.  
 Whistles, klaxons, or horns operated from signal towers.

NOTE C: Test sets shall be classified as tools and included in the account appropriate for their use.

§ 10.27 *Signals and interlockers.* This account shall include the cost of interlocking and other signal apparatus for governing the movements of locomotives, cars, and trains, and for the protection of traffic at crossings, including towers and other buildings, furniture, fixtures, and machinery in connection therewith; roadway installations for train control and remote control including the cost of the initial tests of such installations; also the cost of buildings and machinery of power plants used primarily for the production of power for the operation of signals and interlockers.

## ITEMS

Air compressors.  
 Automatic-train control devices other than on equipment.  
 Batteries.  
 Battery wells and houses.  
 Boilers.  
 Call-bell systems along track to call in flagmen.  
 Call boxes, electric.  
 Car-retarder systems.  
 Centralized traffic control.  
 Conduits for pipe and wire.  
 Crossing flasher-light signals.  
 Crossing gates, highway and railway.  
 Crossing signal bells.  
 Crossing warning signals.  
 Distant signals.  
 Dynamos.  
 Engines, stationary.  
 Home signals.  
 Impedance bonds.  
 Interlocker buildings.  
 Interlocker machinery.  
 Interlocker mechanism.  
 Levers.  
 Power apparatus primarily for the operation of signals and interlockers.  
 Power-distribution lines primarily for the operation of signals and interlockers.  
 Rail bonds.  
 Railway crossing signals.  
 Relays.  
 Semaphores.  
 Signal and switch levers.

Signal arms.  
 Signal blades.  
 Signal bridges.  
 Signal buildings.  
 Signal cables.  
 Signal-lamp brackets and connections.  
 Signal lamps.  
 Signal machinery.  
 Signal poles and foundations.  
 Signal pulleys and foundations.  
 Special appliances.  
 Station signals.  
 Train-order signals.  
 Wiring.

NOTE A: When signal or interlocking apparatus is located in a station building, only the cost of the signal or interlocking apparatus shall be charged to this account. The entire cost of the building shall be included in account 16, "Station and office buildings."

NOTE B: The cost of track material, such as switches, special rail braces, special rods, special track fastenings, split rails, derails, deraill stands, and frogs, used in connection with interlockers, shall be included in account 10, "Other track material."

NOTE C: When derails are arranged so as to be thrown from switch stands, the cost of labor expended in the installation of the connections between the switch stand and derail and the devices for throwing the derail shall be included in account 12, "Track laying and surfacing." The cost of the material shall be included in account 10, "Other track material."

NOTE D: The cost of grading and preparing grounds both before and after the construction of signal and interlocker buildings, and the cost of constructing sidewalks, driveways, and fences thereon, shall be included in the cost of the buildings, as shall also the fees and expenses of architects specially employed for designing or supervising the construction of the buildings, but the cost of restoring the grounds after addition and betterment work shall be included in the appropriate operating expense accounts. The cost of permanent water rights shall also be included in the cost of the buildings.

§ 10.29 *Power plants.* This account shall include the cost of power-plant and substation buildings (housing machinery provided for in account 45, "Power-plant machinery"); all foundations other than those special to particular machines and apparatus; and also dams, canals, pipe lines, and accessories devoted to the utilization of water for power. Gas and sewer pipes and their connections, fixtures (including wiring) for lighting and heating, and furniture and miscellaneous fixtures, shall be considered as a part of the power-plant buildings.

## POWER-PLANT STRUCTURE ITEMS

Buildings.	Hose and appliances for protecting buildings against fire.
Coal pockets and trestles.	Pavement within ground limits.
Coal bunkers.	Permanent rights in water supply.
Fences (other than right-of-way boundary fences).	Platforms.
Fixtures for lighting (including wiring) and heating power-plant buildings.	Smoke stacks and chimneys and their foundations when distinct from and not resting on boilers.
Foundations (except special foundations for machines and other apparatus).	Water, sewer, gas, and drainage pipes and connections.
Fuel-oil tanks.	Wells (but not pumps).
Furniture.	

## DAM, CANAL, AND PIPE-LINE ITEMS

Aqueducts.	Grids.
Bridges.	Inlet valves.
Fences (Other than right-of-way boundary fences).	Penstocks.
Footbridges.	Reservoirs.
Forebays.	Roadways.
Gates.	Sluices.
	Valves.
	Water rights.

**NOTE A:** The cost of power-plant machinery, including stacks resting on boilers, and special foundations for machines, shall be included in account 45, "Power-plant machinery."

**NOTE B:** The cost of the buildings and of the power machinery and other apparatus of plants used primarily for operating signals and interlockers shall be included in account 27, "Signals and interlockers."

**NOTE C:** Investment in buildings and machinery of detached plants for furnishing power both for operating purposes and for sale shall be included in this account and in account 45, "Power-plant machinery," respectively. When plants are intended and used primarily for generating power for sale to other than common carriers, the investment shall be included in account 705, "Miscellaneous physical property."

**§ 10.31 Power-transmission systems.** This account shall include the cost of systems for conveying electricity, steam, and compressed air from producing plants to place or building where used; also the cost of conduits and of poles, cross arms, insulator pins, brackets, and other pole fixtures, and of other structures for power-transmission and distribution systems, including those for electric railway operation, and lighting systems for general lighting purposes.

## POWER-TRANSMISSION SYSTEM ITEMS

Air pipe-lines in car yards.  
Cables.  
Compressed air pipe-lines.  
Compressed air storage tanks (not at power houses or shops).  
Cut-outs (not at power houses and substations).  
Feed wires.  
Guard wires.  
Insulators and connections.  
Overhead trolley wires.  
Rail-bond plugs.  
Rail bonds.  
Rail-insulating devices.  
Span wires.  
Steam-heating pipe-lines in car yards.  
Steam pipe-lines.  
Switchboards (not at power houses and substations).  
Third rail.  
Third-rail braces.  
Third-rail insulation and protection.  
Third-rail supports.  
Transformers (not at power houses and substations).  
Underground power tubes.

## POLE-LINE AND CONDUIT ITEMS

Braces and other supports for holding poles in position.  
Brackets and other pole fixtures.  
Conduits for wires and cables.  
Cross arms.  
Cutting and trimming trees.  
Guy stubs.  
Guy wires.  
Insulator pins.  
Manholes.  
Poles.  
Sewer traps.  
Stenciling or painting letters or numbers on poles.  
Towers.

**NOTE A:** The cost of wire and pipe-distribution systems located within shop buildings and in stations and office buildings shall be included in the cost of the buildings, except that lateral service lines to equipment-shop machines shall be included in account 44, "Shop machinery." The cost of distribution systems used primarily for operating signals and interlockers shall be included in account 27, "Signals and interlockers."

**NOTE B:** The cost of conduits and of poles and fixtures for telegraph and telephone, or signal lines shall be included in account 26, "Communication systems," or account 27, "Signals and interlockers," as appropriate. The cost of poles and conduits used for telegraph and telephone or signal lines and for power-distribution lines shall be included in the account appropriate according to their predominant use.

**§ 10.35 Miscellaneous structures.** This account shall include the cost of all permanent structures not provided for else-

where, including all fixtures and furniture to equip them for use.

§ 10.37 *Roadway machines.* This account shall include the cost of the initial outfit of roadway machines provided for the maintenance of roadway and structures at the time the road is opened for commercial traffic, and the cost of additional roadway machines acquired subsequently.

#### LIST OF ROADWAY MACHINES

Boilers, portable.	Engines, portable.
Cars, hand.	Grading outfits.
Cars, lever.	Hydraulic outfits.
Cars, motor inspection.	Jacks, hydraulic.
Cars, push.	Log loaders.
Cars (small), crane, for supply yards and general use.	Pile drivers.
Concrete mixers.	Flows, unloading.
Ditching machines.	Rail unloaders.
Dredging machines.	Rock crushers.
	Steam rollers.
	Timber trucks.
	Velocipedes.

NOTE A: When an important addition and betterment project or the construction of a new line necessitates the purchase of roadway machines to be used exclusively thereon, the cost shall be included in the accounts to which the cost of the work is charged. The amount realized from any subsequent sale, or the appraised value of the machines retained after the completion of the special work for which they were purchased, shall be credited to the accounts charged with the cost thereof. The appraised value of such machines retained shall be debited to this account and thereafter considered as the cost of such property.

NOTE B: The cost of machines for the equipment of roadway shops shall be included in account 17, "Roadway buildings," as provided for therein.

NOTE C: The cost of roadway machines, such as pile drivers, log loaders, hoist engines, and concrete mixers, when permanently mounted for movement on the carrier's tracks, shall be included in account 57, "Work equipment."

§ 10.38 *Roadway small tools.* This account shall include the cost of the initial outfit of roadway and track small tools provided for the maintenance of way and structures at the time the road is opened for commercial traffic; also the initial outfit of such tools provided for the maintenance of extensions of such road.

#### LIST OF ROADWAY TOOLS

Adzes.	Bars, lining.
Anvils.	Bars, pinch.
Augers.	Bars, raising.
Axes.	Bars, tamping.
Ballast forks.	Braces and bits.
Bars, claw.	Brooms.
Bars, crow.	Brush hooks.

Cable stretchers.	Picks, tamping.
Cables.	Pike poles.
Cans, oil.	Post-hole diggers.
Cans, water.	Post-hole tampers.
Cant hooks.	Punches.
Chains.	Rail benders.
Chisels, track.	Rail tongs.
Chisels, wood.	Rakes.
Curbing hooks.	Rope.
Dippers.	Saws, crosscut.
Drawing knives.	Saws, hand.
Drill bits.	Scrap boxes.
Drills, portable.	Scythes.
Flags, signal.	Shovels.
Furnaces, portable.	Sickles.
Grindstones.	Sledges.
Hammers, napping.	Spades.
Hammers, paving.	Spike mauls.
Hammers, spiking.	Spike pullers.
Handles for tools.	Spot boards.
Hatchets.	Squares.
Hoes.	Straightening machines.
Jack levers.	Tape lines.
Jacks, ratchet.	Thermometers for laying rail.
Jacks, screw.	Tongs.
Jacks, track.	Tool boxes.
Kegs, water.	Torches.
Ladders.	Track gauges.
Lanterns and fixtures.	Track levels.
Lawn mowers.	Vises.
Levels.	Weed spuds.
Lines for ditching.	Wheelbarrows.
Nippers.	Whetstones.
Oilstones.	Wood mallets.
Padlocks.	Wrenches, monkey.
Pails, water.	Wrenches, track.
Paint brushes.	
Picks, clay.	

NOTE: The cost of roadway and track small tools of which no specific record is kept shall be charged when acquired to an appropriate materials and supplies account, from which they shall be charged as issued to the appropriate road and equipment, operating expense, or other accounts. When such tools are used both for construction and maintenance work the cost shall be equitably apportioned among the accounts provided for the two classes of work.

§ 10.39 *Public improvements; construction.* This account shall include amounts assessed on carrier property by governmental authority (by mutual agreement or otherwise) to cover the cost of constructing public improvements, when such assessments are made against property within defined areas of taxing districts. It shall also include the cost borne by the carrier of public improvements constructed by it under governmental requirements.

The entire amount of each assessment for public improvements shall be included in this account as soon as it is determined.



## ITEMS

Cost of land outside carrier's right of way to provide for the relocation of streets or highways or providing slopes therefor.  
 Cost of removal and relocation of buildings and other structures in connection with the construction of streets and highways.  
 Curbing streets and highways.  
 Damage to property of others when incidental to highway construction.  
 Drainage systems.  
 Engineering—When such costs apply to items chargeable to this account.  
 Flood protection.  
 Grading streets and highways.  
 Guttering streets and highways.  
 Irrigation systems.  
 Levees.  
 Overhead highway bridges, including approaches.  
 Paving streets and highways, including such pavings at crossings.  
 Planking, highway crossings.  
 Sewer systems.  
 Sidewalks.  
 Street-lighting systems.  
 Water works.

**NOTE A:** The cost of railway facilities installed in connection with joint public improvement projects if not in excess of total costs borne by the carrier shall be included in accounts other than account 39, "Public improvements—Construction," appropriate for the class of property installed. Any costs borne by the carrier in excess of the cost of railway facilities shall be charged to this account.

**NOTE B:** The cost to the carrier of maintaining public improvements shall be included in Operating Expenses.

**NOTE C:** Any portion of the cost of public improvements which is included in the general tax levy for a regular taxing district shall be included in the account appropriate for taxes.

**NOTE D:** The amount of the deferred payments of assessments for public improvements if payments are to be made within one year, shall be included in account 768, "Other current liabilities." If the payments are spread over a longer period they shall be credited to account 770, "Other deferred liabilities." The interest paid on such assessments shall be included in account 547, "Interest on unfunded debt."

**NOTE E:** Interest and penalties imposed, on basis of monthly or annual percentage rates, for failure to pay assessments within the allotted time shall be charged to account 547, "Interest on unfunded debt."

**NOTE F:** Assessments on noncarrier property for the cost of constructing public improvements shall be charged to account 705, "Miscellaneous physical property."

**§ 10.40 Revenues and operating expenses during construction.** This account shall include the cost of operating a piece of road during the period before

the regular operation of revenue trains, including rent and repairs of equipment used in commercial service during such period. It includes the cost of running construction trains over such section of road when the cost of operating such trains can not properly be charged to any specific account.

To this account shall be credited amounts collected for rents of buildings and other properties and for the transportation of commercial freight or of passengers on construction trains; also the net profits from boarding and commissarial outfits, and other sources of operating revenue.

Carriers which wish to subdivide this account shall use appropriate subaccounts corresponding to accounts prescribed for operating revenue, operating expense, or income accounts.

**§ 10.42 Reconstruction of road property acquired.** When road property acquired is in such physical condition that it is necessary to substantially rebuild the road in order to bring it up to the standard required by the carrier, the accounting for such reconstruction including retirements in connection therewith shall be presented to the Commission for approval before being entered in the accounts.

**NOTE:** A comprehensive statement of the estimated amount necessary to reconstruct a road in accordance with the above provision shall be made to the Commission as soon as the estimate is made.

**§ 10.43 Other expenditures; road.** This account shall include items which can not properly be included in any of the foregoing accounts as a part of the cost of any specific work, amounts paid for rent and repairs of equipment and for injuries to persons incident to and in connection with original road, road extensions, or additions and betterments; and analogous items. When assignable, such expenditures shall be included in the cost of the property in connection with which the expenditure occurs.

**NOTE:** Rents paid for and repairs made to equipment used in commercial operations during the period before the regular operation of revenue trains shall be charged to account 40, "Revenues and operating expenses during construction."

**§ 10.44 Shop machinery.** This account shall include the cost of machinery and other apparatus in shops and en-

gine houses, including the cost of special foundations and installation, and cost of small hand tools necessary first to equip a shop.

#### LIST OF SHOP MACHINERY

Air compressors.	Metal chimneys.
Ash conveyors.	Milling machines.
Belting.	Motors.
Blowers.	Pipe cutting and
Boilers for furnish-	threading ma-
ing power.	chines.
Boring machines.	Planers.
Cars, motor.	Pneumatic hammers.
Cars, push.	Power equipment.
Cranes.	Punches.
Drill presses.	Riveters.
Drilling machines.	Saws.
Drop tables.	Shafting.
Forges.	Shapers.
Framing machines.	Slotters.
Furnaces.	Stationary engines.
Grinding and polish-	Steam hammers.
ing machines.	Vises.
Hoists.	Welding machines.
Hydraulic jacks.	Woodworking ma-
Lathes.	chines.
Lifting magnets.	

**NOTE A:** The cost of power plant machinery and other apparatus for shop purposes, when located in distinct buildings, shall be included in account 45, "Power plant machinery."

**NOTE B:** The cost of foundations other than those special to particular machines and other apparatus shall be included in the cost of the building, and not in this account.

**§ 10.45 Power-plant machinery.** This account shall include the cost of machinery and other apparatus in power plants and substations for generating and transforming power used for the operation of trains and cars or to furnish power, heat, and light for stations, shops, and general purposes, and also the cost of foundations special to particular machines or other apparatus including the cost of installation.

#### ITEMS

Air compressors.	Condensers.
Ammeters.	Conductors.
Ash-conveying ma-	Cranes.
chinery.	Cut-outs.
Batteries.	Draft machinery.
Battery-charging ap-	Dynamos.
paratus.	Economizers.
Belting.	Engine-room appli-
Boiler-room appli-	cances and tools.
ances and tools.	Feed water heaters.
Boilers and fittings.	Furnaces.
Boosters.	Generators.
Cables, interior.	Hangers.
Circuit breakers.	Hoists.
Clutches.	Ice - manufacturing
Coal-conveying ma-	machinery and ap-
chinery.	paratus.

Insulators.	Steam - distribution
Lubricating devices.	systems within the
Machinery.	plant.
Mechanical stokers.	Steam fittings.
Metal stacks on	Switchboards.
boilers.	Switches.
Piping.	Tanks.
Pumps.	Tractors, trailers,
Purifiers.	and trucks, perma-
Refrigerating - ma-	nently assigned to
chinery and appa-	power plants.
ratus.	Transformers.
Rheostats.	Turbines.
Rotary convertors.	Voltmeters.
Sewer connections	Water meters.
for machinery.	Waterwheels.
Shafting.	Well pumps.
Special foundations	Wires from genera-
for machines.	tors or transform-
Stationary engines.	ers to switchboard.

**NOTE A:** The cost of power machinery and other apparatus installed in a shop as part of the shop equipment shall be included in account 44, "Shop machinery."

**NOTE B:** The cost of power machinery and other apparatus installed in station and office buildings shall be included in account 16, "Station and office buildings."

**NOTE C:** The cost of the buildings and the power machinery and other apparatus of plants used primarily for operating signals and interlockers shall be included in account 27, "Signals and interlockers."

**NOTE D:** The cost of foundations other than those special to particular machines and other apparatus shall be included in the cost of the building and not in this account.

**NOTE E:** The cost of machinery and buildings of detached plants for producing power both for operating purposes and for sale shall be included in this account and in account 29, "Power plants," respectively. When plants are intended and used primarily for generating power for sale to non-carriers the investment shall be included in account 705, "Miscellaneous physical property."

**§ 10.47 Unapplied construction material and supplies.** This account shall include the cost of material and supplies located at the point of use which have been purchased for projected new roads and road extensions.

The purpose of this account is to exclude from the current assets the cost of supplies and unapplied material which are located for use on projected new roads and road extensions, under the condition that the material will not be used for other purposes.

**NOTE A:** Material and supplies designed for projected new roads and road extensions which are carried in storehouses and store yards and included in the general stock of an operating company shall be included in balance-sheet account 716, "Material and supplies."

**NOTE B:** The cost of unapplied materials and supplies on hand at the completion of construction work shall be transferred to balance-sheet account 716, "Material and supplies."

#### EQUIPMENT

§ 10.50 *Equipment.* The several primary accounts included in this general account are designed to show the cost of the several classes of equipment owned by the carrier, or held under equipment trust agreements for purchase.

To the appropriate primary accounts in this general account shall be charged the cost of all equipment, such as steam locomotives, electric locomotives, passenger-train cars, freight-train cars, work equipment, floating equipment, and the necessary appurtenances, furniture, and fixtures first to equip for service, including the cost of inspection, setting up, and trying out, and transportation over foreign lines; also the cost of additions, such as headlights, mechanical stokers, power brakes, vestibules, machinery for self-propulsion, heating and lighting apparatus, and the like; and the excess cost of betterments, such as improved appliances, parts, or appurtenances, over the cost at current prices (as new) of the appliances, parts, or appurtenances removed. The cost of removing the old appliances and applying the improved shall be charged to operating expenses.

The ledger value of each unit of equipment shall be credited to the appropriate equipment account when it is permanently retired from service. (See Note A which follows.)

The service value (see Note B which follows) of the unit shall be charged to account 702½D, "Accrued depreciation—Equipment." An equitable proportion of any balances carried in accounts 72 to 77, inclusive, applicable to the equipment retired, shall be credited thereto concurrently and charged to account 330, "Retirements—Equipment."

The value of the salvage (see Note C which follows) from the unit shall be charged to account 716, "Material and supplies," or to other account appropriate according to the disposition thereof. In case the retired equipment is held without being torn down, the estimated value of the salvage therefrom shall be included in account 722, "Other deferred assets," until the salvage is recovered.

The cost of tearing down the retired unit and recovering the salvage shall be charged to account 329, "Dismantling retired equipment."

The ledger value (estimated if not known) of all parts of equipment retired and not replaced shall be credited to the property investment account and the service value thereof charged to account 702½D, "Accrued depreciation—Equipment."

When equipment of one class is converted so as to be includible in another class, the accounting shall be as provided in § 10.01-11 *Adjustment for converted property.*

When an important addition and betterment project or the construction of new lines necessitates the purchase of equipment to be used exclusively therein, the cost of such equipment shall be included in the accounts representing the cost of the work, and no charge shall be made to operating expenses for depreciation on such equipment while the cost remains so charged. The amount realized from any subsequent sale, or the appraised value of the equipment retained after the completion of the special work for which it was purchased, shall be credited to the accounts charged with its cost. The appraised value of such equipment retained shall be debited to the appropriate primary account herein, and thereafter, for the purposes of accounting, such appraised value shall be considered as the cost of the equipment.

When second-hand equipment acquired is in such physical condition that it is necessary to make extensive repairs to it to bring it up to the standard required by the carrier, the cost of such repairs shall be included in the account appropriate for the cost of the equipment. A comprehensive statement of the amount estimated to be necessary to rebuild second-hand equipment in accordance with the above provision shall be furnished to the Commission as soon as the estimate is made.

When equipment is rebuilt in order to modernize and create an expectation of life fairly comparable with new units of similar type and capacity, the units shall be accounted for as retired from service and their cost as rebuilt shall be charged to the appropriate equipment account. Units of equipment accounted for as rebuilt shall conform to the requirements of the A. A. R. Code of Rules for rebuilt units. The cost of the rebuilt equipment shall be the sum of:

(a) Cost of new material applied.

(b) Current market price new of secondhand parts applied or remaining

therein less allowance for secondhand condition.

(c) Cost of labor constructing rebuilt units. *Provided*, That such costs shall not be in excess of the cost (at current market prices of labor and material) of a new unit of equal capacity and equal expectancy of life in service, less a suitable allowance on account of the second-hand portions remaining therein.

The accounting for leased equipment retired shall be in accordance with provisions in § 10.01-7 *Road property retired* relating to leased road property retired.

**NOTE A:** The term "retired from service" as applied to equipment means equipment which has been permanently withdrawn from transportation service. The dismantling or tearing down of a unit of equipment in order to replace parts thereof with improved parts, when it does not constitute rebuilding such unit, shall be accounted for as repairs. In accounting for such repairs due consideration shall be given to the instructions with respect to accounting for additions and betterments.

**NOTE B:** The term "service value" as applied to equipment means the ledger value thereof less the value of the salvage therefrom.

**NOTE C:** The term "value of salvage" means the amount received for property retired, or for the material salvaged therefrom, if sold; or if retained, the value at which the property or the material salvaged therefrom is chargeable to account 716, "Material and supplies," or other account of this system of accounts.

The following list of units of equipment is prescribed for the purpose of designating items of equipment, the ledger value of which shall be credited to the property investment account at the time of retirement:

51. Steam locomotives.
  - A complete locomotive.
  - A locomotive, exclusive of tender.
  - A tender.
  - A locomotive booster.
52. Other locomotives.
  - A complete locomotive.
  - A complete motor equipment.
  - A propulsion motor.
  - A generator for propulsion power.
53. Freight-train cars.
  - A complete car.
  - A complete motor equipment.
  - A freight container, complete.
  - A propulsion motor.
  - A generator for propulsion power.
54. Passenger-train cars.
  - A complete car.
  - A complete motor equipment.

- A propulsion motor.
- A generator for propulsion power.
- 56. Floating equipment.
  - A complete vessel or boat.
  - A boiler.
  - A steam engine.
  - An electric generator.
  - A motor.
- 57. Work equipment.
  - (a) Rail equipment:
    - (1) A complete car or machine.
    - (2) A boiler.
    - (3) A steam engine.
    - (4) A motor.
    - (5) Machinery equipment (with or without tractive machinery) such as concrete mixer, snow plow, derrick, steam shovel, or pile driver.
    - (6) A complete motor equipment.
    - (7) A generator for propulsion power.
  - (b) Floating equipment—Work:
    - (1) A complete vessel or boat.
    - (2) A boiler.
    - (3) A steam engine.
    - (4) A motor.
    - (5) An electric generator.
- 58. Miscellaneous equipment.
  - A horse.
  - A wagon.
  - An automobile vehicle.

§ 10.51 *Steam locomotives*. This account shall include the cost of steam locomotives and tenders, purchased or built by the carrier, and of appurtenances, furniture, and fixtures necessary to equip them for service, including the cost of inspection, setting up, and trying out after receipt from builders, and transportation charges to the carrier's line.

#### LIST OF APPURTENANCES TO LOCOMOTIVES

- |                                 |                                  |
|---------------------------------|----------------------------------|
| Air-brake equipment and hose.   | Metallic packing.                |
| Arm rests.                      | Pneumatic sanding equipment.     |
| Awnings.                        | Seat boxes.                      |
| Brake fixtures.                 | Signal lamps.                    |
| Cab cushions.                   | Speed recorders.                 |
| Cab lamps.                      | Steam-gauge lamps.               |
| Clocks.                         | Steam-heat equipment and hose.   |
| Coal boards.                    | Storm doors.                     |
| Fire - extinguishing apparatus. | Tool boxes.                      |
| Gongs.                          | Train-signal equipment and hose. |
| Head lamps.                     |                                  |

§ 10.52 *Other locomotives*. This account shall include the cost of locomotives other than steam, purchased or built by the carrier, and of appurtenances, furniture, and fixtures necessary to equip them for service, including inspection, setting up, and trying out after receipt from builders, and transportation charges to the carrier's line.

**NOTE:** Cars with motor equipment are not to be classed as locomotives.

**§ 10.53 Freight-train cars.** This account shall include the cost of freight-train cars of all classes, including motor-driven cars, purchased or built by the carrier including all appurtenances, furniture, and fixtures necessary to equip them for service, and the cost of inspection and transportation charges to the carrier's line.

#### LIST OF FREIGHT-TRAIN CARS

Ballast (commercial).	Gun truck.
Beer.	Hay.
Box.	Lime.
Cabin.	Logging.
Caboose.	Oil tank.
Charcoal.	Ore.
Coal.	Platform.
Coke.	Poling.
Dump (commercial).	Poultry.
Flat.	Produce.
Fruit.	Rack.
Furniture.	Refrigerator.
Gondola.	Stock.
Gondola (hopper).	Tank and water
Gondola (long).	(when used as
	commercial cars).

#### LIST OF APPURTENANCES TO FREIGHT-TRAIN CARS

Air-brake equipment, including hose.	Lamps and fixtures.
Cooking equipment and utensils.	Seats.
Cushions.	Speed recorders.
Heating equipment.	Train-signal equipment, including hose.
Ice boxes.	Water tanks.

**§ 10.54 Passenger-train cars.** This account shall include the cost of passenger-train cars of all classes, including motor-driven cars, purchased or built by the carrier, including all appurtenances, furniture, and fixtures necessary to equip them for service, and cost of inspection and transportation charges to the carrier's line.

#### LIST OF PASSENGER-TRAIN CARS

Baggage.	Mail.
Baggage-express.	Milk.
Baggage-mail.	Observation.
Baggage-mail-express.	Parlor.
Buffet.	Parlor-baggage.
Café.	Passenger.
Chair.	Passenger-baggage.
Club.	Passenger - baggage-mail.
Colonist.	Postal.
Dining.	Refrigerator-express.
Express.	Sleeping.
Immigrant.	Smoking.
Library.	Tourist.

#### LIST OF APPURTENANCES TO PASSENGER-TRAIN CAR

Air-brake equipment, including hose.	Bedding.
	Chairs.
	Coat hooks.

Curtains and fixtures.  
Cushions.  
Electric bells.  
Floor coverings.  
Heating equipment.  
Ice boxes.  
Ice tanks.  
Kitchen equipment and utensils.  
Lighting equipment  
Mail catchers.  
Parcel racks.

Ranges and boilers.  
Seats.  
Speed recorders.  
Steam-heat hose.  
Table china.  
Table glassware.  
Table linen.  
Table silver.  
Toilet equipment.  
Train-signal equipment, including hose.  
Water tanks.

**§ 10.56 Floating equipment.** This account shall include the cost of marine or floating equipment of all kinds except work equipment, purchased or built by the carrier, including all appurtenances, furniture, and fixtures necessary to equip it for service, and cost of inspection and transportation charges to the carrier's line.

#### LIST OF FLOATING EQUIPMENT

Barges.	Power lighters.
Canal boats.	Scows.
Car and other floats.	Steamboats.
Ferryboats.	Steamships.
Lighters.	Transfer boats.
Power launches.	Tugboats.

#### LIST OF APPURTENANCES TO FLOATING EQUIPMENT

Anchors.	Linen.
Axes.	Lines.
Barometers.	Logs.
Beds and bedding.	Machinery and foundations.
Binnacle lamps.	Masts.
Blocks and tackle.	Oilcans.
Boilers and foundations.	Pianos and other musical instruments.
Cables.	Pumps.
Capstan bars.	Racks.
Carpets.	Railings.
Charts.	Rakes.
China, crockery, and glassware.	Rigging.
Chronometers.	Safes.
Clocks.	Sails.
Compasses.	Scales.
Counters.	Seats, chairs, and cushions.
Desks.	Shovels.
Engines and foundations.	Slice bars and pokers.
Fire buckets.	Spyglasses.
Fire extinguishers.	Steam distribution systems.
Floor coverings.	Steering equipment.
Flue cleaners.	Telescopes.
Furniture.	Ticket cases.
Gangplanks.	Tool boxes.
Hatchets.	Tools, miscellaneous.
Heating equipment.	Tracks on car floats.
Hoisting equipment.	Ventilating equipment.
Hooks.	Wrenches.
Keys.	
Kitchen equipment.	
Life preservers.	
Lighting equipment.	

§ 10.57 *Work equipment.* This account shall include the cost of work equipment, including motor-driven equipment, purchased or built by the carrier; cost of appurtenances, furniture, and fixtures necessary to equip it for service, and cost of inspection and transportation charges to the carrier's line.

#### LIST OF RAIL WORK EQUIPMENT

Air-brake instruction cars.	Painters' cars.
Ballast cars.	Pay cars.
Ballast unloader cars.	Pile drivers (mounted).
Boarding cars.	Rail saws (mounted).
Bridge cars.	Salt cars.
Business cars.	Sanding cars.
Camp cars.	Scale test cars.
Cinder cars.	Scraper cars.
Concrete mixers (mounted).	Snow dozers.
Derrick cars.	Snow drags.
Dirt spreaders (mounted).	Snow plows (moved by but not attached to locomotives).
Ditching cars.	Sprinkling cars.
Dump cars.	Steam shovels.
Dynamometer cars.	Steam wrecking derricks.
Gas tank cars.	Supply cars.
Grading cars.	Sweeper cars.
Gravel cars.	Tool cars.
Indicator cars.	Tool and block cars.
Locomotive tanks used permanently as water cars.	Water cars.
Locomotives.	Weed burners (mounted).
Officers' cars.	Wrecking cars.
Outfit cars.	

#### LIST OF FLOATING WORK EQUIPMENT

Derricks.	Pile drivers.
Dredges.	

#### APPURTENANCES TO FLOATING WORK EQUIPMENT

Anchors.	Hooks.
Axes.	Keys.
Barometers.	Life preservers.
Beds and bedding.	Lighting equipment.
Blocks and tackle.	Linen.
Boilers and foundations.	Lines.
Cables.	Machinery and foundations.
China, crockery, and glassware.	Masts.
Compasses.	Oil cans.
Cushions.	Pumps.
Desks.	Rakes.
Engines and foundations.	Rigging.
Fire extinguishers.	Sails.
Fire buckets.	Seats and chairs.
Floor coverings.	Shovels.
Flue cleaners.	Slice bars and pokers.
Gangplanks.	Steam distribution systems.
Hatchets.	Steering equipment.
Heating equipment.	Tool boxes.
Holisting equipment.	Tools, miscellaneous.
	Wrenches.

§ 10.58 *Miscellaneous equipment.* This account shall include the cost of horses

and harness; and cost of wagons, automobiles, and other highway vehicles.

§ 10.59 *Unapplied material and supplies; equipment.* This account shall include the cost of unapplied material and supplies located at the point of use which have been purchased specifically for the construction of new railroad equipment.

NOTE A: If material and supplies designated for new railroad equipment are carried in storehouses and storeyards as part of the general stock of the company, their cost shall be included in balance sheet account 716, "Material and supplies."

NOTE B: The cost of unapplied material and supplies on hand at the completion of construction work shall be transferred to balance sheet account 716, "Material and supplies."

#### GENERAL EXPENDITURES

§ 10.70 *General expenditures.* The primary accounts of this general account are designed to include expenditures made in connection with the acquisition and construction of original road and equipment, and with extensions, additions, and betterments to road and equipment property, when such expenditures can not properly be included in any of the foregoing accounts as a part of the cost of any specific work. When assignable, such expenditures shall be included in the cost of the property in connection with which the expenditures occur.

§ 10.71 *Organization expenses.* This account shall include all fees paid to governments for the privilege of incorporation, and office and other expenditures incident to organizing the corporation and putting it in readiness to do business; cost of preparing and distributing prospectuses; costs of soliciting subscriptions for stock; cash fees paid to promoters, and the actual cash value (at the time of the organization) of securities paid to promoters for their services in organizing the enterprise; special counsel fees; cost of preparing and issuing certificates of stock; cost of procuring the necessary certificates from State authorities; and other like costs.

NOTE: Cost of soliciting for loans or for the sale of bonds or other evidences of indebtedness shall be charged to balance-sheet account 725, "Discount on funded debt."

§ 10.72 *General officers and clerks.* This account shall include the pay and expenses of executive and general officers and of general office clerks engaged exclusively in connection with the construction of new road and extensions.

**NOTE:** The salaries and expenses of executive and general officers and of general office clerks engaged in connection with the conduct of commercial operations during the period before the regular operation of revenue trains shall be included in account 40, "Revenues and operating expenses during construction."

**§ 10.73 Law.** This account shall include specific and distinct expenditures, not provided for elsewhere, for law service in connection with the acquisition of new road, road extensions, additions, and betterments, such as pay and expenses of counsel, solicitors, and attorneys, their clerks and attendants, and expenses of their offices.

#### ITEMS OF EXPENSES

Arbitrators' services in settlement of disputed questions.  
Cost of taking depositions.  
Cost of testimony.  
Costs of suits.  
Court bonds.  
Court expenses.  
Express charges.  
Fees and retainers of attorneys not regularly employed.  
Law books.  
Legal forms.  
Legal reports.  
Notarial fees not provided for elsewhere.  
Office expenses.  
Printing of briefs, testimony, etc.  
Rent of offices.  
Special fees.  
Telegraph service.  
Telephone service.  
Traveling expenses.  
Witness fees not provided for elsewhere.

**NOTE:** Court costs and special counsel fees in connection with the acquisition of land for transportation operations shall be included in account 2, "Land for transportation purposes."

**§ 10.74 Stationery and printing.** This account shall include the cost of stationery, stationery supplies, postage, office devices, and printed matter used by any class of employees in connection with construction and not provided for elsewhere.

#### ITEMS OF STATIONERY AND PRINTING

Adding machines.	Calendars.
Addressographs and supplies.	Carbon paper.
Arm rests.	Cardboard.
Binders.	Cards, blank and printed.
Blank books.	Circulars.
Blotters.	Computing tables.
Blotting paper.	Copy (impression) books.
Bristol board.	Copying brushes.
Calculating machines.	Copying presses.

Crayons.	Pencil sharpeners.
Cross-section books.	Pencils for writing and drawing.
Cross-section paper.	Penholders.
Cyclostyles.	Penracks.
Dating stamps and ribbons.	Pens for writing and drawing.
Dictaphones.	Phonographs and records.
Dictographs.	Pins.
Drawing paper.	Postage.
Duplicators.	Punches (not conductors' or baggagemen's).
Electric pens.	Rubber bands.
Envelopes.	Rubber stamps.
Erasers, rubber and steel.	Rulers.
Eyelet punches.	Ruling pens.
Eyelets.	Scrapbooks.
File boxes.	Sealing wax.
Forms, blank and printed.	Seals.
Fuel tickets.	Shears.
Glass pens.	Shipping tags.
Hectographs.	Shorthand notebooks.
Indexes.	Sponge cups.
Ink for writing and drawing.	Sponges.
Inkstands.	Stamps, impression.
Invoice books.	Stylographs.
Legal cap paper.	Tablets, blank and printed.
Letter paper.	Tape.
Manifold paper.	Telegraph blanks.
Manifold pens.	Time-tables.
Mimeographs.	Tissue (impression) paper.
Mucilage.	Tracing cloth.
Mucilage brushes.	Tracing paper.
Neostyles.	Twine.
Note paper.	Typewriters and ribbons.
Notices.	Wage tables.
Numbering stamps.	Wastebaskets.
Oil paper.	Water colors.
Paper.	Water holders.
Paper baskets.	Waybills.
Paper clips.	Wrapping paper.
Paper cutters.	Wringers for copying presses.
Paper fasteners.	
Paper files.	
Paper weights.	
Papyrographs.	
Parchment paper.	

**NOTE A:** The cost of printing bonds, etc., in connection with the carrier's funded debt shall be included in balance-sheet account 725, "Discount on funded debt."

**NOTE B:** The cost of stationery and printing, when assignable, shall be included in the cost of the property in connection with the acquirement or construction of which the expenditure occurs.

**§ 10.75 Taxes.** This account shall include State, county, township, city, school, road, annual franchise, and all other taxes and assessments levied and paid on property belonging to the carrier during construction and before the facilities are used for commercial operations, except special assessments for street and other improvements charge-

able to account 39, "Public improvements—Construction."

**NOTE:** Taxes during construction, when assignable, shall be included in the cost of the property acquired or constructed.

**§ 10.76 Interest during construction.** When any bonds, notes, or other evidences of indebtedness are sold, or any interest-bearing debt is incurred for acquisition and construction of original road and equipment, extensions, additions, and betterments, the interest accruing on the part of the debt representing the cost of property chargeable to road and equipment accounts (less interest, if any, allowed by depositaries on unexpended balances) after such funds become available for use and before the receipt or the completion or coming into service of the property so acquired shall be charged to this account.

When such securities are sold at a premium the proportion of such premium assignable to the time between the date of the actual issuance of the securities and the time when the property acquired or the improvement made becomes available for service shall be credited to this account.

This account shall also include such proportion of the discount and expense on funded debt issued for the acquisition of original road, original equipment, road extensions, additions, and betterments, as is equitably assignable to the period between the date of the actual issuance of securities and the time when the property acquired or the improvement made becomes available for the service for which it is intended. The proportion of discount and expense thus chargeable shall be determined by the ratio between the period prior to the completion or coming into service of the facilities or improvements acquired and the period of the entire life of the securities issued.

**NOTE A:** Interest on bonds, notes, or other evidences of indebtedness accruing before the proceeds from the sale of the securities become available for use shall not be included in this account, nor shall there be included any interest accruing after the property with respect to which the proceeds are expended is received or becomes available for use in connection with commercial service.

**NOTE B:** If any securities which have been issued or assumed by the carrier are sold or exchanged by or for the carrier for a consideration the actual money value of which at the time of such sale or exchange is less than the value of the securities at par and

the accrued interest thereon, if any, the difference between the money value of the consideration received and the par value of the securities plus the accrued interest shall be deemed a discount. In no case (except as provided in the third paragraph of this account) shall discounts be included as part of the cost of anything charged to any account prescribed in this classification.

**NOTE C:** For definition of securities actually issued, see Note B, under general balance-sheet account 755, "Funded debt unmatured."

**NOTE D:** Whenever interest, premium, or discount assignable to the construction period is incurred in connection with an expenditure covered by some specific road and equipment account or accounts, such interest, premium, or discount shall be charged directly to the specific accounts to which it is related.

**NOTE E:** This account shall not include interest during the construction period on the carrier's own funds expended in connection with the acquisition or construction of original road and equipment, extensions, additions, and betterments.

**§ 10.77 Other expenditures; general.** This account shall include all expenditures of a special and incidental nature in connection with the acquisition and construction of original road and equipment, road extensions, additions, and betterments which cannot properly be included in any other account in this classification.

#### OPERATING REVENUES AND OPERATING EXPENSES

**§ 10.02 General instructions.** The carrier's records shall be kept with sufficient particularity to show fully the facts pertaining to all entries made in the accounts provided herein for railway operations. Where the full information is not recorded in the general books, the entries therein shall be supported by other records in which the full details shall be shown. Such general book entries shall contain sufficient reference to the detail records to permit ready identification, and the detail records shall be filed in such manner as to be readily accessible for examination by representatives of the Interstate Commerce Commission.

**§ 10.02-1 Operating accounts.** The accounts of this classification are designed to show the revenues and expenses (including the maintenance of the facilities used) of the carrier's railway operations, including rail-line transportation, water-line transportation, if any, and services incident to transportation.



"Transportation" includes the receipt, conveyance, and delivery of traffic.

"Rail-line transportation" includes not only the conveyance of traffic over tracks, but also the necessary conveyance by water transfers (ferriage, light-erage, and floatage) either between track terminals or between track terminals and points not reached by tracks.

Carriers are at liberty to subdivide the general and primary accounts here given, but if this option be exercised a statement of the accounts adopted shall be filed in the office of the Bureau of Accounts and Cost Finding of the Interstate Commerce Commission.

"The carrier" means the accounting carrier, except when otherwise specifically indicated.

§ 10.02-2 *Unaudited items affecting operating accounts.* When it is known that a transaction has occurred which affects operating revenues or operating expenses, but the amount involved and its effect upon the accounts cannot be determined with absolute accuracy, the amount thereof shall be estimated and included in the appropriate operating and balance-sheet accounts. Any such estimate shall be revised whenever and at the time a substantial change is indicated and shall be finally adjusted as soon as the exact amount is determined. The carrier is not required to anticipate items which would not appreciably affect the operating accounts.

Any change in practice of accounting for accruals or any unusual accruals involving substantial amounts shall be reported promptly to the Commission. Accruals shall not be recorded for purely speculative items, but shall be limited to reasonable estimates on reliable information of transactions that will be consummated.

§ 10.02-3 *Delayed items.* Delayed items and adjustments, except adjustments pertaining to accounts 702½C, "Accrued depreciation—Road," and 702½D, "Accrued depreciation—Equipment," arising during the current year which are applicable to prior years, shall be included in the same account which would have been charged or credited if the item had been taken up or adjusted in the year to which it pertained. When the amount of the delayed item is relatively so large that its inclusion in the appropriate account for the current year would seriously distort the revenues, expenses or income of the current year, the

amount of the delayed item may be credited to account 520, "Delayed income credits," or charged to account 557, "Delayed income debits," as may be appropriate.

When the amount of a delayed item is relatively so large that its inclusion in the accounts for a single month will seriously distort those accounts it may be distributed in equal monthly charges to the remaining months of the calendar year.

"Delayed items" are items representing transactions which occurred before the calendar year.

§ 10.02-4 *Miscellaneous operations.* The revenues and expenses of miscellaneous operations involving the use of such facilities as hotels, restaurants, grain elevators, storage warehouses, power plants, cold storage plants, etc., shall not be included in the accounts of this classification unless the operation of the facilities is conducted by the railway companies in connection with furnishing transportation services.

[12 F. R. 4452, as amended at 12 F. R. 6576]

§ 10.02-5 *Submission of questions.* To the end that uniformity of accounting may be maintained from year to year, carriers shall submit all questions of doubtful interpretation of the accounting rules to the Commission for consideration and decision.

§ 10.02-6 *Stockyards.* The revenues and expenses arising from the operation of stockyards shall not be included in operating revenue or operating expense accounts unless the operation of the facilities is conducted in connection with the transportation of livestock. It is not intended, however, that revenues and expenses arising from incidental public stockyards service rendered by stockyards primarily devoted to transportation services shall be excluded from operating revenues and expenses.

## OPERATING REVENUES

### § 10.03 *Special instructions.*

§ 10.03-1 *Accounts for operating revenues.* The accounts provided for operating revenues are designed to show amounts of money which a carrier becomes entitled to receive from transportation and from operations incident thereto.

Credits to the revenue accounts shall as nearly as practicable be upon the basis of accruals of revenue.

Uncollected tariff charges on unclaimed and refused shipments of freight, such refused shipments having been transported in accordance with the contract of shipment, shall be charged to the appropriate revenue account to which shall be credited the proceeds derived from the sale of such unclaimed and refused freight.

The carrier's tariff charges on lost, destroyed, or damaged shipments, for which charges neither consignees nor consignorers are liable, shall be charged to the revenue accounts previously credited.

Except as otherwise provided in this section, the revenue accounts shall include collections in excess of proper charges, such collections being subject to refund, and there shall be charged to the revenue accounts uncollectible revenue charges determined after the service has been rendered.

§ 10.03-2 *Interpretation of item lists.* Lists of items to be credited and of items to be charged have been given as a part of the text of this classification for the purpose of clearly indicating the application of the accounting rules. They are not to be considered as comprising all the items creditable or chargeable to the several accounts, but merely as representative of them.

The items contained in the lists of items to be charged to the respective accounts are chargeable only when such items have been, through oversight, included in the credits to the accounts, or they are items of revenue payable to others for service to be rendered in accordance with the tariff provisions applicable to the rates upon which the credits to the several accounts have been based.

§ 10.03-3 *Accruals of revenues.* In order that operating revenue accounts may as nearly as practicable include the full amount of revenues accruing to the carrier each month, the carrier shall accrue currently in the appropriate revenue and balance-sheet accounts estimates of unaudited items affecting revenues. If these estimates are not fully adjusted in the following month, the balances in the balance-sheet accounts shall be kept separately by months until each is adjusted. The carrier is not required to anticipate items which would not appreciably affect the revenue accounts.

§ 10.03-5 *Delayed items.* Cancellation of entries recorded in balance-sheet

accounts relating to operating revenues of former years shall be recorded in accordance with § 10.02-3 *Delayed items.*

## REVENUE ACCOUNTS

### TRANSPORTATION

§ 10.100 *Transportation; rail line.* The primary accounts included in this general account are designed to show amounts of money which the carrier becomes entitled to receive or which accrue to its benefit from service rendered in transporting property or persons by rail line. (See § 10.02 *General instructions.*)

§ 10.101 *Freight.* This account shall include revenue from the transportation of freight and from transit, stop, and reconsigning privileges, upon the basis of lawful tariff rates.

### ITEMS TO BE CREDITED

- (a) Revenue upon the basis of local freight tariff rates, regardless of class of train in which the freight is transported.
- (b) The carrier's proportion of revenue upon the basis of through freight tariff rates, regardless of class of train on which the freight is transported.
- (c) Revenue from transportation of mail matter, and empty mail pouches, at freight tariff rates.
- (d) Revenue from transportation of freight on special trains at rates based on weights of shipments.
- (e) Revenue on basis of classifications and freight tariffs from transportation of caretakers of freight shipments.
- (f) Revenue from reconsigning privileges.
- (g) Revenue from stop privileges.
- (h) Revenue from transit privileges.
- (i) Revenue upon the basis of arbitraries out of freight rates for water transfers (ferriage, lighterage, and floatage).

### ITEMS TO BE CHARGED

Amounts paid as bridge and ferry arbitraries on freight.

Amounts paid for completing a haul.

Amounts paid for elevation of freight.

Amounts paid for switching services, in connection with the transportation of freight, on the basis of switching tariffs, and allowances out of through rates, including amounts paid for switching empty cars in connection with a freight revenue movement.

Amounts paid for transferring freight between stations.

Arbitraries and allowances to others for lighterage and wharfrage.

The carrier's proportion of overcharges resulting from the use of erroneous rates, weights, classifications or computations.

The carrier's proportion of refunds on account of errors in routing and billing.

The carrier's proportion of uncollected revenue on freight lost or destroyed in transit.

The carrier's proportion of uncollected tariff charges on damaged shipments for which charges neither shipper nor consignee is liable.

Amounts paid on basis of tariff rates for loading and unloading livestock.

**NOTE A:** Amounts paid for switching empty cars otherwise than in connection with loaded movements shall be charged to operating expense account 411, "Other expenses," except that amounts paid for switching equipment for repairs shall be included in the appropriate equipment repair accounts.

**NOTE B:** Other carriers' proportion of revenue and of uncollectible undercharges paid by the carrier on account of its errors in routing and billing shall be charged to operating expense account 411, "Other expenses."

**NOTE C:** Other carriers' proportion of revenue paid by the carrier on freight lost, destroyed, or damaged in transit, for which neither consignees nor consignors are liable shall be charged to operating expense accounts 418, "Loss and damage—Freight."

**NOTE D:** When a lessee company transports freight over the tracks of another carrier on the basis of a proportion of revenues under a joint arrangement, it shall include the entire compensation in its revenues and statistics, charging the appropriate joint facility expense and rental accounts with the amounts paid the lessor company, and the lessor company shall credit the corresponding accounts.

The accounting in connection with transportation train service operated under a joint arrangement for the benefit of two or more carriers shall be as provided in the second paragraph of § 10.04-9 *Joint facility accounts*.

**NOTE E:** The accrued revenue derived from the transportation of cream, sweet milk, etc., on a basis of lawful tariffs at rates per package, regardless of weights, shall be included in account 109, "Milk."

**NOTE F:** Revenue from the transportation of caretakers of freight shipments, when not included as a part of the freight charges on the waybill covering the freight shipments, shall be credited to account 102, "Passenger."

**NOTE G:** This account shall be maintained so as to show separately payments and allowances (a) to railway express agencies, (b) to motor truck companies and others, and (c) to shippers and consignees, for terminal collection and delivery services when performed in connection with line haul transportation of freight on the basis of freight tariff rates; also (d) payments for switching services when performed in connection with line haul transportation of freight on the basis of switching tariffs and allowances out of freight rates, including the switching of empty cars in connection with a revenue movement, and (e) payments on basis of

tariff rates for loading and unloading livestock.

§ 10.102 *Passenger*. This account shall include the revenue from transportation of passengers at passenger tariff fares; from the transportation of passengers at special fares as provided by law, and from incidental charges in connection therewith.

#### ITEMS TO BE CREDITED

- (a) Revenue from local passenger fares.
- (b) The carriers' proportion of revenue from interline passenger fares.
- (c) Revenue from extra fares.
- (d) Revenue from additional fares or charges for exclusive use of a passenger car, drawing room, compartment, bedroom, etc.
- (e) Revenue from mileage and scrip coupons honored for all services covered by this account.
- (f) Revenue from transportation of passengers in special cars or on special trains when charge is based on passenger fare per capita, regardless of the number of passengers actually transported.
- (g) Revenue from a guaranteed minimum amount not based on per capita fare, for transportation of passengers on special or chartered trains.
- (h) Cash fare penalty collections
- (i) Unclaimed collections and deposits for transportation of passengers.
- (j) Passenger fare overcharges.
- (k) Revenue from transportation of corpses based on passenger fares.
- (l) Revenue from water transfers (ferriage), bridge tolls, and transfers between railway stations or between railway stations and docks, received as arbitraries in division of passenger fares.

#### ITEMS TO BE CHARGED

- (a) Amounts paid as bridge tolls, and also for ferry, depot to depot and depot to dock passenger transfer service.
- (b) Amounts paid for switching in completing a passenger transportation movement.
- (c) Amounts paid for switching empty passenger-train cars in connection with transportation of passengers. (See Note C.)
- (d) Redemptions of unused and partially unused local tickets and redemptions of carrier's proportions of unused and partially unused interline tickets.
- (e) Refund of extra fares, cash fare penalty collections, and overcharges in excess of tariff fares.
- (f) Uncollectible undercharges.

**NOTE A:** Gross receipts from the sale of mileage tickets, and scrip books shall be credited to a suspense account. The suspense account shall be charged and this account credited with the value of coupons as

honored, in connection with any of the services provided for in "Items To Be Credited."

**NOTE B:** When a lessee company transports passengers over the tracks of another company under a joint arrangement upon the basis of a proportion of the passenger revenue, it shall include the entire compensation in its passenger revenue and statistics, charging the appropriate joint facility expense and rental accounts with the amounts paid the lessor company and the lessor company shall credit the corresponding joint facility accounts.

The accounting in connection with transportation train service operating under a joint arrangement for the benefit of two or more carriers shall be as provided in the second paragraph of § 10.04-9 *Joint facility accounts*, and Case 297, *Accounting Bulletin No. 15*.

**NOTE C:** Amounts paid for switching empty passenger-train cars otherwise than in connection with loaded movements, shall be charged to account 411, "Other expenses," except that when switched for repairs, the amounts paid shall be included in account 317, "Passenger-train cars—Repairs."

**NOTE D:** Revenue from the transportation of automobiles, with or without trailers, in freight service, in connection with the transportation of passengers, also revenue from loading and unloading automobiles at point of origin, destination, or enroute, shall be credited to account 101, "Freight."

§ 10.103 *Baggage*. This account shall include the revenue from the transportation of baggage, packages, baby carriages, bicycles, household pets, dogs, etc., on passenger trains at other than freight or express tariff rates.

#### LIST OF ITEMS

- (a) Revenue from transportation of baggage in excess of free allowances.
- (b) Revenue from transportation of packages, baby carriages, bicycles, household pets, dogs, etc., at baggage tariff rates.
- (c) Revenue from transportation of baggage or other articles based upon excess value.
- (d) Revenue from transportation of baggage when passenger does not make corresponding trip.
- (e) Revenue from excess weight of corpses based on baggage tariff charges and from special charges for transferring corpses between depots.
- (f) Revenue from scrip coupons honored for any of the above-mentioned services. (See Note B.)
- (g) Overcharges on baggage transactions.
- (h) Revenue from transportation of emergency shipments and articles based on double gross weight, etc.
- (i) Amounts received specifically to cover movement of special or chartered baggage cars including transportation of

attendants regardless of whether the charge is based upon passenger tariff fares, a stated minimum, or any other basis. This includes box cars when used for baggage service.

- (j) Revenue from issuing duplicate baggage checks.

**NOTE A:** Revenue derived from transportation of shipments of silk, fish, etc., in passenger trains at freight rates, shall be included in account 101, "Freight."

**NOTE B:** Amounts of refunds, uncollectible undercharges, etc., involved in these credits, shall be charged to this account.

**NOTE C:** Gross receipts from the sale of baggage scrip books shall be credited to a suspense account. The suspense account shall be charged and this account credited with the value of the coupons as honored for any of the services covered by this account.

§ 10.104 *Sleeping car*. This account shall include the revenue from berth and seat accommodations furnished in sleeping cars on the basis of berth or seat rates for the space occupied.

§ 10.105 *Parlor and chair car*. This account shall include the revenue from seat accommodations furnished in parlor, observation, chair, and other special passenger cars when operated in passenger-train service or in special-train service at seat rates for space occupied.

§ 10.106 *Mail*. This account shall include the revenue from the transportation of mail at established rates for specified routes; from the use of railway post-office cars when in carrier's service transporting mails; from the use of special mail facilities; and from bonuses for special mail transportation.

To this account shall be charged fines and penalties imposed by the Government when not collected from agents or employees.

**NOTE:** The revenue from the transportation of mail matter and empty mail pouches on freight trains at freight tariff rates shall be included in account 101, "Freight."

§ 10.107 *Express*. This account shall include the revenue from transportation of express matters and from use of facilities on trains and at stations incident to such transportation.

When a railway company transacts an express business through its regular railway organization, the revenue therefrom shall be credited to this account.

**NOTE:** When contracts for express privileges provide specific amounts for the rent of facilities at stations, such amounts shall be included in revenue account 142, "Rents of buildings and other property."

§ 10.108 *Other passenger-train.* This account shall include the revenue derived from the operation of passenger trains not provided for elsewhere.

LIST OF ITEMS

- (a) The carrier's proportion of contract revenue derived from the operation over its line of sleeping, parlor, chair, observation, and other special passenger-train cars, owned and operated by companies other than The Pullman Company.
- (b) Value of portions of mileage tickets or coupons, scrip books or coupons, including baggage, circus and show scrip, unrepresented and unredeemed.
- (c) Revenue from transportation of newspapers at local tariff rates or at proportions of interline tariff rates.

§ 10.109 *Milk.* This account shall include the revenue from the transportation of cream, sweet milk, skim milk, sour milk, buttermilk, condensed milk, butterfat, and smearcase or pot cheese, upon the basis of lawful tariffs at rates per package, regardless of weights.

**NOTE:** The revenue from the transportation of milk upon the basis of lawful tariffs at rates per specified weights shall be included in revenue account 101, "Freight."

§ 10.110 *Switching.* This account shall include the revenue from switching service upon the basis of lawful tariff rates.

To this account shall be credited the carrier's revenue upon the basis of tariff rates, or the carrier's allowance out of through rates, from the switching of cars of all kinds, loaded or empty, either locally at a station or within a switching district, between connecting lines, between local industries, or between connecting lines and local industries; revenue upon the basis of distinct tariff rates for "trap-car" and "ferry-car" service and for spotting cars; also the revenue from interwork switching at industrial plants, and the revenue from "penalty switching" incident to the improper delivery of cars by other carriers.

To this account shall be charged amounts paid others for switching when such switching service is provided for in the switching rate charged by the carrier.

**NOTE:** "Penalty switching" charges paid by the carrier shall be included in expense account 411, "Other expenses."

§ 10.113 *Water transfers; freight.* This account shall include the revenue from the transfer of freight by water transfers (ferriage, lighterage, and floatage) upon the basis of lawful tariff rates for local service.

**NOTE:** No revenue shall be included in this account upon the basis of arbitraries out of rates for transportation involving rail line haul.

§ 10.114 *Water transfers; passenger.* This account shall include the revenue from the transfer of passengers by water transfers (ferriage) upon the basis of lawful tariff rates for local service.

**NOTE:** No revenue shall be included in this account upon the basis of arbitraries out of rates for transportation involving rail line conveyance.

§ 10.115 *Water transfers; vehicles and livestock.* This account shall include the revenue from the transfer by water transfers upon the basis of lawful local tariff rates, of vehicles of all classes; horses, cattle, and other animals; and Government artillery and equipment.

**NOTE:** No revenue shall be included in this account upon the basis of arbitraries out of rates for transportation involving rail line haul.

§ 10.116 *Water transfers; other.* This account shall include the revenue from water transfers not otherwise provided for, such as the revenue from towing beyond lighterage limits and all other towing for which an extra charge is made; insurance of freight afloat when billed out at other than cost; storage of freight afloat; grain overage in boats; pumping performed for outside parties; and from other similar sources.

To this account shall be charged amounts payable to other companies or individuals for extra lighterage, extra towing, and for all other service when such payments represent revenue collected and credited to this account and not a direct expense.

INCIDENTAL

§ 10.130 *Incidental.* The primary accounts included in this general account are designed to show the amounts which the carrier becomes entitled to receive from services rendered incidentally with rail-line and water-line transportation, for the use of facilities of which the expenses for operation and maintenance are not separable from railway expenses, and from incidental sources not provided for elsewhere.

§ 10.131 *Dining and buffet.* This account shall include the revenue from dining and buffet service on trains and transfer boats.

## ITEMS TO BE CREDITED

- (a) Revenue from lunches furnished.
- (b) Revenue from meals furnished.
- (c) Revenue from liquors furnished.
- (d) Revenue from tobacco furnished.
- (e) Revenue from cigars and cigarettes furnished.

§ 10.132 *Hotel and restaurant.* This account shall include the revenue from hotels, restaurants, and station lunch counters. (See § 10.02-4 *Miscellaneous operations.*)

## ITEMS TO BE CREDITED

- (a) Revenue from the rent of rooms.
- (b) Revenue from the use of baths.
- (c) Revenue from the use of billiard tables.
- (d) Revenue from the use of bowling alleys.
- (e) Revenue from lunches furnished.
- (f) Revenue from meals furnished.
- (g) Revenue from liquors furnished.
- (h) Revenue from tobacco furnished.
- (i) Revenue from cigars furnished.
- (j) Revenue from cigarettes furnished.
- (k) Revenue from newspapers furnished.
- (l) Revenue from periodicals furnished.
- (m) Revenue from tonsorial service.
- (n) Revenue from laundry work.

NOTE: This account shall not include the revenues from hotels and restaurants which are entirely distinct from the carrier's transportation plant and the cost of which is included in balance-sheet account 705, "Miscellaneous physical property."

§ 10.133 *Station, train, and boat privileges.* This account shall include revenue from weighing, vending, and other automatic machines located at stations; from advertising at stations and on trains and on transfer boats; from the privilege of operating news stands at stations and selling papers, periodicals, fruit, etc., on trains and on transfer boats; from telephone companies for the privilege of installing and operating commercial telephones at stations; from the operation of eating houses and dining and buffet service on trains and transfer boats when such operation is conducted by individuals or companies other than railway companies and when the expenses incurred by the carrier in connection therewith are not separable from its regular operating expenses; and from similar sources.

§ 10.134 *Parcel room.* This account shall include the revenue from the operation of parcel rooms.

§ 10.135 *Storage; freight.* This account shall include the revenue from the storage of freight.

§ 10.136 *Storage; baggage.* This account shall include the revenue from the storage of baggage.

§ 10.137 *Demurrage.* This account shall include the revenue from the detention of cars incident to loading, unloading, reconsigning, and stops in transit upon the basis of lawful tariffs for demurrage.

§ 10.138 *Communication.* This account shall include the revenue from commercial operation of telegraph, telephone, radio, and all other forms of communication systems. It shall also include amounts received from commercial operators of such systems, whether as a proportion of earnings or otherwise, for the privilege of transacting business in offices along the carrier's lines, but only when the carrier furnishes some service of employees whose pay is included in its operating expenses.

NOTE: When a commercial operator rents a communication system belonging to the carrier and pays all expenses incident to its maintenance and operation, the rent so received shall be credited to income account 510, "Miscellaneous rent income."

§ 10.139 *Grain elevator.* This account shall include the revenue from the operation of grain elevators. (See § 10.02-4 *Miscellaneous operations.*)

## ITEMS TO BE CREDITED

- (a) Revenue from the elevation of grain.
- (b) Revenue from the storage of grain.
- (c) Revenue from bagging grain.
- (d) Revenue from screening grain.
- (e) Revenue from blowing grain.
- (f) Revenue from cooling grain.
- (g) Revenue from clipping grain.
- (h) Revenue from cleaning grain.
- (i) Revenue from mixing grain.
- (j) Revenue from transferring grain in elevators.
- (k) Revenue from loading grain into and unloading grain from boats not covered by elevation charges.
- (l) Revenue from trimming grain in boats when performed by elevator employees.
- (m) Revenue from the sale of screenings and sweepings.
- (n) Revenue from inspecting grain in elevators.

§ 10.141 *Power.* This account shall include the revenue from the sale of electric current and other power. (See § 10.02-4 *Miscellaneous operations.*)

§ 10.142 *Rents of buildings and other property.* This account shall include the revenue from the exclusive use of build-

ings and other property or portions thereof, such as depot and station grounds and buildings, general and other offices, wharves, ferry landings, elevators, stockyards, fuel yards, enginehouses, repair shops, and section and other houses, when the property is operated and maintained in connection with the property used in the carrier's transportation operations and the expenses of maintaining and operating the rented portion cannot be separated from the expenses of that portion used by the carrier. (See § 10.02-4 *Miscellaneous operations*.)

**NOTE:** When the expenses of maintaining and those of operating property rented to others are separable, the rents received shall be credited and the expenses of maintenance and operation shall be charged to appropriate income accounts.

§ 10.143 *Miscellaneous.* This account shall include the revenue from railway operations not provided for elsewhere. (See § 10.02-4 *Miscellaneous operations*.)

#### LIST OF ITEMS

- a) Amounts received for privilege of cutting hay along the right of way.
- (b) Commissions received for collecting premiums on insurance policies from employees and installment payments for books, watches, etc., sold by dealers to employees.
- (c) Profit from jobbing and installing electric power lines for others.
- (d) Revenue from boat demurrage.
- (e) Revenue from freight and passenger privileges over a carrier's wharves and docks.
- (f) Revenue from garnishee fees.
- (g) Revenue from operation of coal and ore wharves, cold-storage plants, coal-storage plants, cotton-compress plants, and wood-preserving plants.
- (h) Revenue from privilege of mooring and anchoring boats at wharves and docks.
- (i) Revenue from the sale of cinders produced by carrier.
- (j) Revenue from use of carrier's bridges by pedestrians, streetcar lines, vehicles, etc.
- (k) Revenue from temporary use of carrier's tracks for detouring trains, etc.
- (l) Revenue from use of tracks incident to delays in loading or removing freight.
- (m) Revenue from water furnished boats from water stations operated by the carrier.
- (n) Revenue from weighing cars.
- (o) The carrier's proportion of gross revenue from operation of clergy bureaus.
- (p) The carrier's proportion of gross revenue from operation of ticket validation agencies.
- (q) Collections made by station ushers (Red Caps) for the handling of passengers' baggage.
- (r) Revenue from loading and unloading livestock in transit by railroad, and from feeding, watering, bedding, shearing, dipping, inspecting, and otherwise caring for such stock.

**NOTE:** When a bridge of one carrier is jointly used by itself and another carrier and such use is paid for on the basis of flat rent or charge per train-mile or toll per passenger, per ton, or per car, the compensation therefor shall be credited to the appropriate joint facility, operating expense, and income accounts.

#### JOINT FACILITY

##### § 10.150 *Joint facility.*

§ 10.151 *Joint facility—Cr.* This account shall include the carrier's proportion of revenue collected by others in connection with the operation of joint tracks, yards, terminals, and other facilities, including revenue from hotels, restaurants, grain elevators, sale of power, and other miscellaneous operations.

**NOTE A:** The purpose of this account is to show the amounts of revenue from the operation of joint tracks, yards, terminals, and other facilities operated by other companies, which under existing contracts or agreements are credited by the operating company to the tenant companies which participate therein. The bill rendered by any creditor company against a debtor company for the latter's proportion of the expense of maintenance and operation of joint facilities, which includes also a credit covering a proportion of the revenue to be paid over, shall show the distribution of the credit for such proportion of the revenue separately from the distribution of the expense of operation.

**NOTE B:** No credits shall be made to this account representing amounts creditable by the operating company to primary accounts 101 to 109, 113 to 116, and 131, except as provided in Case 297, Accounting Bulletin No. 15.

§ 10.152 *Joint facility—Dr.* This account shall include that proportion of revenue from the operation of joint tracks, yards, terminals, and other facilities, which is creditable to other companies, including revenue from hotels, restaurants, grain elevators, sale of power, and other miscellaneous operations.

**NOTE A:** The purpose of this account is to show the amount of revenue from operation of a terminal company or other carrier which, under the terms of existing contracts or agreements covering the joint use of tracks, yards, and other facilities, is credited to other carriers that participate in the benefits from such joint use. The bill rendered by a

creditor company against a debtor company for the latter's proportion of expense of maintaining and operating joint facilities, which includes a credit covering the debtor company's proportion of the revenues from operation of such joint facilities, shall indicate separately the proper distribution of both the revenues and the expenses included in the bill, and such distribution shall be adhered to by the debtor.

NOTE B: No debits shall be made to this account representing amounts creditable by the operating company to primary accounts 101 to 109, 113 to 116, and 131, except as provided in Case 297, Accounting Bulletin No. 15.

## OPERATING EXPENSES

### § 10.04 *Special instructions.*

§ 10.04-1 *Accounts for operating expenses.* The accounts prescribed for operating expenses are designed to show expenses of furnishing transportation service including the expense of maintenance and depreciation of the plant used in the service. The accounting shall be, as nearly as practicable, upon the basis of accruals.

"Road property" means transportation property other than equipment.

Following the texts of the primary operating expense accounts, there are provided condensed groupings of the same accounts to be used by Class II and Class III carriers. For the purpose of these condensed classifications, Class II carriers shall be those having annual operating revenues of \$100,000 to \$1,000,000 and Class III those having annual operating revenues less than \$100,000. Small carriers which elect to use the primary accounts for large railroads shall include in annual reports the group totals required by the condensed classifications for their class.

§ 10.04-2 *Maintenance expenses.* The accounts provided for maintenance of road property and of equipment are designed to show the cost of repairs and also the loss through depreciation of the property used in operations, including all such expenses resulting from ordinary wear and tear of service, exposure to the elements, inadequacy, obsolescence, or other depreciation, or from accident, fire, flood, or other casualty.

The cost of repairs which has been provided for in the several repair accounts shall include the cost of inspecting to determine the repairs necessary, and of adjusting or repairing parts, both of road property and of equipment, such as the repairing of locomotives, cars, frogs,

switches, rails, etc.; the cost of inspecting and testing after repairs have been made, such as the testing of locomotives after repairs to determine whether the repairs have been properly made, and the running of repaired locomotives light in order to break them in for regular service; incidental costs of repairs, such as the construction or removal of false work in connection with maintenance, cost of demolishing retired road property and disposing of the wreckage therefrom when the property is dismantled by or for the carrier; cost of maintaining or protecting traffic during the progress of construction work, including the cost of constructing, maintaining and removing temporary tracks required for maintaining traffic during the progress of the work; cost of mowing and beautifying grounds around buildings; repairing fences, sidewalks, driveways, and streets within or adjacent to such grounds; cost of removing snow from roofs of buildings (when not removed by those employed in the buildings); cost of periodical restoration of seasonal features, such as gardens, shrubbery, and lawns; cost of operating hothouses in connection with the work of beautifying grounds; and cost of clearing and removing casual incumbrances, such as ice, snow, and fallen timber.

Distinct maintenance accounts have been provided for expenses of a general character, such as superintendence, stationery and printing, and injuries to persons, which, on account of established practice, it is deemed advisable to segregate.

§ 10.04-3 *Cost of repairs.* It is intended that the repair accounts of this classification shall include the cost of labor, materials and supplies, work-train service, floating equipment work service, special machine service, contract work, privileges, protection from casualties, and other analogous items of expense in connection with the maintenance of the plant used in railway service. The several items of cost here referred to are defined as follows:

(a) "Cost of labor" includes amounts paid for the labor of the carrier's own employees. Except where otherwise specified in the text of the accounts, the cost of boarding, traveling, and other incidental expenses of employees shall be included in the accounts to which the pay of the employees is chargeable.



(b) "Cost of materials and supplies" includes the cost of materials and supplies, including small tools, at the point of free delivery, plus freight charges of foreign lines, and the costs of inspection and loading assumed by the carrier; also a proportion of store expenses (see § 10.04-16 *Material store expense*). It should not, however, include expenses of transportation over the carrier's line. In calculating the cost of materials used proper allowance shall be made for the value of unused portions and of cuttings, turnings, borings, etc., and for the value of the material recovered from property repaired and from temporary tracks, scaffolding, cofferdams, and other temporary structures used in repair work.

(c) "Cost of work-train service" includes cost of labor of enginemen, trainmen, and enginehouse men, including the wages of engine crews and train crews held in readiness for such service; and the cost of fuel and other supplies consumed in connection with the operation of work trains.

(d) "Cost of floating equipment work service" includes cost of labor of crews, including wages of crews held in readiness for service; and the cost of fuel and other supplies consumed in connection with the operation of floating equipment work service.

(e) "Cost of special machine service" includes the cost of labor expended and of materials and supplies consumed in operating steam shovels, scrapers, rail unloaders, ballast unloaders, pile drivers, dredges, ditchers, weed burners, and other labor-saving machines; also rents paid for use of such machines.

(f) "Cost of contract work" includes amounts paid for work performed under contract by other companies, firms, or individuals and specific expenses incident to the award of the contract.

(g) "Cost of privileges" includes amounts paid for special privileges, such as the temporary use of public property or streets, in connection with the repairs of the property of the carrier. (Periodical payments for such privileges in connection with permanent use of public property for railway operations shall be included in the income accounts.)

(h) "Cost of protection from casualties" includes expenditures for protection against damage by fire, flood, etc., such as payments for discovery or extinguishment of fires, cost of detecting

and prosecuting incendiaries expense for witnesses in relation thereto, amounts paid to municipal corporations and others for fire protection, and other analogous items of expense in connection with repair work, but does not include insurance premiums paid to assure reimbursement for prospective losses.

§ 10.04-4 *Royalties on appliances.* The royalties for patent rights on mechanical appliances used in repairs of equipment shall be included in the cost of the repairs.

§ 10.04-5 *Road property retired.* The service value (ledger value less salvage and insurance recovered, if any) of road property retired and replaced with property of like purpose, together with the cost of demolishing and removing the retired property, shall be accounted for in accordance with § 10.01-7 *Road property retired.*

§ 10.04-6 *Distribution of charges for nondepreciable road property retired.* In case the amount chargeable to operating expenses for nondepreciable property retired, as provided in § 10.01-7 *Road property retired*, is relatively large and its inclusion would seriously distort the expenses for the year, the carrier, if so authorized by the Commission, may charge the amount thereof to account 726, "Property retired chargeable to operating expenses," and distribute it thereafter in accordance with the provisions of that account to operating expenses of the current and succeeding years.

§ 10.04-7 *Adjustment for converted property.* When a unit of equipment or fixed property by its transfer from one class of service to another, with or without physical conversion, becomes includible in a primary investment account other than that in which it has been carried, the procedure outlined in § 10.01-11 *Adjustment for converted property* shall be followed.

§ 10.04-8 *Depreciation accounting; road property.* (a) There shall be charged monthly to operating expenses or other appropriate accounts and credited to account 702½C, "Accrued depreciation—Road," during the service life of depreciable road property amounts which will approximate the loss in service value not restored by current repairs or covered by insurance. The charges for currently accruing depreciation shall

be computed in conformity with the group plan by applying to the original cost or the estimated original cost of the road property as found by the Bureau of Valuation such percentage rates as will distribute the service value by the straight-line method in equal annual charges to operating expenses or other accounts during the estimated life of the property. Pending the compilation of the original cost figures to a current date by the Bureau of Valuation, the carrier shall use as a depreciation base that bureau's figures as far as they have been summarized and add thereto the cost for the subsequent years as recorded in its Order No. 3 records and accounts. Such adjustment of original cost figures as may be necessary after the original cost figures have been summarized by the Bureau of Valuation to a current date shall be made at that time.

**NOTE:** If a carrier submits proof that the actual cost to it of the depreciable road property which it owns or the actual cost to the owner of the depreciable road property which it uses and for which depreciation accounting is required, was substantially different from the original cost figures of the Bureau of Valuation, with the approval of the Commission, such carrier may use such actual cost figures as the depreciation base.

(b) As soon as the information can be assembled the carrier shall file with the Commission composite annual percentage rates estimated to be applicable to the original cost or estimated original cost of the property in each primary account covering depreciable road property owned or used by it. These percentage rates shall be based on the estimated service values and service lives of the road property developed by a study of the carrier's history and experience and such engineering and other information as may be available with respect to future conditions. Such percentage rates shall, for each primary account comprised of more than one class of road property, produce a charge for depreciation based on the original cost or estimated original cost of the depreciable property included in such account equal to the sum of the amounts that would otherwise be chargeable as depreciation for each of the various classes of property included in such account. The annual percentage rates when filed shall be accompanied by a sworn statement showing the bases therefor and the methods employed in their computation.

(c) The carrier shall keep such records of depreciable property and property retirements as will reflect the service life of property which has been retired, or will permit the determination of service life indications by mortality, turnover, or other appropriate methods; also such records as will reflect the percentage of value of the salvage for property retired from each class of depreciable property. The carrier shall be prepared at any time, upon direction of the Commission, to compute and submit for its approval revised percentage rates in cases where existing rates are deemed inapplicable.

(d) A separate composite annual percentage rate for each account covering depreciable property shall be used in computing depreciation charges. Such composite rates shall be those which are from time to time prescribed by the Commission except, that where no rates for any class of property have previously been prescribed for the carrier's use by the Commission, the carrier's estimate of composite annual percentage rates computed in accordance with paragraph (b) of this instruction shall be used prior to the date such rates are prescribed by the Commission.

**NOTE:** Until such time as the carrier's estimates of composite annual percentage rates have been computed, the carrier shall base its depreciation charges upon the percentage rates obtained from the Bureau of Valuation which is prepared to furnish such rates upon request.

(e) In computing monthly charges the annual percentage rates shall be applied to the depreciation base as of the first of each month and the result divided by twelve.

(f) In the event annual percentage rates prescribed by the Commission, in the judgment of the carrier, become no longer currently applicable, it shall in like manner file revised annual percentage rates which in its judgment should be established. Where property is acquired for which no rates have been prescribed the carrier shall immediately compile and submit to the Commission appropriate estimates developed in accordance with the provisions of paragraph (b) of this instruction.

(g) For the purpose of the group plan of depreciation accounting for road property the following primary accounts under § 10.0 Road, are classed as depreciable accounts:

1. Engineering (as appropriately assigned, but not distributed, to the other depreciable accounts in arriving at the amounts used as the depreciation base).
- 2½. Other right-of-way expenditures.
3. Grading (depreciable property recorded in this account).
5. Tunnels and subways.
6. Bridges, trestles and culverts.
7. Elevated structures.
13. Fences, snowsheds, and signs.
16. Station and office buildings.
17. Roadway buildings.
18. Water stations.
19. Fuel stations.
20. Shops and enginehouses.
21. Grain elevators.
22. Storage warehouses.
23. Wharves and docks.
24. Coal and ore wharves.
26. Communication systems.
27. Signals and interlockers.
29. Power plants.
31. Power-transmission systems.
35. Miscellaneous structures.
37. Roadway machines.
39. Public improvements—construction.
44. Shop machinery.
45. Power-plant machinery.

**NOTE:** With respect to accounts 2½, 3, 5, and 39, carriers may confine the accruals to the depreciable property recorded therein by applying the percentage rates furnished by the Bureau of Valuation to the aggregate cost of such property (omitting nondepreciable property), in computing depreciation charges, or they may request the Bureau of Accounts to prescribe percentage rates covering obsolescence due to the premature retirement of certain nondepreciable property, in which case the composite percentage rates will be applied to the total amount recorded in each of the accounts in computing depreciation charges.

(h) The accounting for depreciation on road property leased from others shall be in accordance with § 10.05-2 *Leased road and equipment; depreciation*. The depreciation on road property includible in operating expenses by the lessee under that instruction shall be computed and stated under the group plan in accordance with the foregoing instructions pertaining to the carrier's own road property.

(i) The term "group plan" means the plan under which depreciation charges are accrued upon the basis of the original cost of depreciable road property for each primary road account using the service lives of the individual depreciable units in the accounts and properly weighting to determine the composite annual rate of depreciation. Upon the

retirement of a unit of property, its full service value is chargeable to account 702½C, "Accrued depreciation—Road," whether or not the particular item has attained the average service life.

(j) The owning carrier shall include in the depreciation accounts in operating expenses the charges for depreciation on units of depreciable property jointly used with one or more other carriers. The owning carrier shall credit, and each using carrier shall charge the appropriate joint facility accounts in operating expenses with the amounts billed by the owning carrier against each using carrier for its proportion of the service loss on property retired from service whether billed currently as depreciation or when retirements occur as the loss in service value. The using carriers shall be required to account for depreciation or retirement of units of road property jointly used but not owned only to the extent of their contract liability. The same principle shall apply to terminal companies and their nonowner tenants in accounting for depreciation accruals or retirement charges recorded in the accounts of the terminal companies.

(k) If the cause of the retirement of the unit or units of road property is not a recognized factor in depreciation and the loss is not covered by insurance, the carrier may upon proof that the charge will result in unduly depleting the depreciation reserve, and with the approval of the Commission, charge all or a part of the service value of the property, less the estimated depreciation accrued thereon, to account 726, "Property retired chargeable to operating expenses," and distribute it from that account to account 267, "Retirements—Road."

§ 10.04-9 *Joint facility accounts.* Accounts thus designated have been provided for the joint users of tracks, bridges, yards, wharves, stations, and other facilities to indicate the proper accounting for settlements which cover income and operating expenses in connection with the use of such facilities, and for settlement covering cost of yard service. When the compensation for the use of facilities is a fixed amount or is based upon a charge per passenger, ton, car, or other unit, it shall be fairly apportioned by the operating company among the joint facility operating expense and income accounts. The cred-

itor shall show the distribution of these charges upon its bills, and such distribution shall be adhered to by the debtor.

Train service in connection with the line haul of traffic, including that operated under a joint arrangement for the benefit of two or more carriers is not considered a joint facility operation and the settlements between carriers covering items chargeable to accounts 392 to 403, inclusive, shall not be included in the joint facility accounts. (See Case 297, Accounting Bulletin No. 15.)

**§ 10.04-10 Clearing accounts.** In recognition of the fact that certain expenditures incident to the construction and the operation of property are not chargeable directly to any particular property investment or expense account, clearing accounts have been provided for the purpose of securing an equitable distribution of such items to the proper primary accounts, as hereinafter set forth.

**§ 10.04-11 Gravel and sand pits and quarries.** When a gravel or sand pit or quarry is opened for operations likely to extend over a long period, an account shall be set up designated "Operations of gravel pit at \_\_\_\_\_" or "Operations of quarry at \_\_\_\_\_," as the case may be. To this account shall be charged:

(a) That part of the cost of the land in excess of its estimated value after the gravel, sand, or stone has been removed, the amount thus charged being concurrently credited to the property account in which the cost of the land is included.

(b) Amounts paid for the right to enter upon and remove ballast from land not owned by the carrier.

(c) The cost of sinking test holes.

(d) The expenses for clearing, striping, draining, and ditching the land, and of moving and changing fences and buildings preparatory to opening the pit or quarry.

(e) The cost, in excess of the estimated salvage value, of rails and fastenings used in constructing tracks to and in the gravel pit or quarry, the estimated salvage being carried in an appropriate suspense account.

(f) The cost, in excess of the estimated salvage value, of ties and other material, and of labor expended on such tracks.

(g) The cost of labor and train service employed in producing, quarrying, and

loading ballast, including the cost of operation, repairs, and depreciation of stationary engines, steam shovels, stone crushers, and other similar machinery, and the pay and expenses of watchmen.

(h) The cost of explosives and hand tools, and miscellaneous expenses.

(i) The cost of installing, operating, and maintaining signals and interlockers at gravel pits.

Credit to these accounts shall be made each month to cover the cost of ballast material produced during the month. The cost of production shall include the expenses directly assignable to the monthly output, plus a proportion of the expenses not directly assignable, such as cost of land, tracks, machinery, and interlockers. This latter amount shall be computed upon the basis of the ratio which the monthly output bears to the total estimated yardage to be taken from the pit.

When any portion of the product of such pits or quarries is sold, the cost thereof shall be credited to this clearing account, and the profit thereon, if any, shall be credited to revenue account 143, "Miscellaneous."

**§ 10.04-12 Power plant operations.** The accounting for the expenses of maintaining and operating an electric, steam, or other power plant (both building and machinery) shall be determined by the purpose for which the power produced is used.

When the power plant is intended and used for producing power solely for the carrier's own operations and the cost of operating the plant is chargeable to clearing account "Shop expenses," or to any one specific account for operating expenses the expenses of maintenance shall be charged to the appropriate maintenance accounts, and the cost of operation to the account appropriate according to the use of the power.

When the power from such a plant is properly chargeable to more than one account, the expenses of maintaining and operating the plant shall be included in clearing account "Power plant operations." The expense of maintenance shall be cleared from that account to the appropriate maintenance accounts for operating expenses. The expenses of operation shall be apportioned to the appropriate accounts upon the basis of quantity of power used for the various purposes.

When a part of the power produced by a power plant is sold and the remainder is used in the carrier's own operations, the cost of maintaining and operating the plant shall be charged to a clearing account. The expense of maintenance shall be cleared from that account to the appropriate maintenance account in operating expenses. The proportion of the expenses of operation assignable to the power sold, on the basis of ratio of quantity of power sold to total quantity of power produced, shall be credited to this clearing account and charged to account 445, "Producing power sold." The remainder of the cost of operation shall be distributed to the appropriate expense accounts for the carrier's own operations, in the manner indicated in the preceding paragraphs.

When power plants are intended and used solely for furnishing power to others, the investment therein shall be included in balance sheet account 705, "Miscellaneous physical property," and the operation shall not be included in the accounts of this classification. (See § 10.02-4 *Miscellaneous operations* and income account 534, "Expenses of miscellaneous operations.")

§ 10.04-14 *Maintaining transmission and distribution systems.* The accounting for the maintenance of transmission systems and distribution systems shall be in accordance with instructions pertaining to power plant operations.

§ 10.04-15 *Shop expenses.* A clearing account entitled "Shop expenses" shall be kept, to which shall be charged items of expense at shops, enginehouses, repair tracks, and other places at which mechanical work is done, not assignable directly to specific accounts. Such expenses shall be apportioned among the various accounts affected. The basis of distribution shall be the relative proportion which the total amount of charges to "Shop expenses" bears to the total of the directly distributed labor. To avoid monthly fluctuations in the ratio of shop expenses to the total of distributed labor, carriers are permitted to make the monthly apportionment on the basis of a percentage of the distributed labor, provided the shop expense account be adjusted and closed out at the end of each year. The expenses assignable to this account are as follows:

(a) *General shop employees.* The pay of general foremen in small shops, who

exercise direct supervision over all departments unassisted by department foremen; the pay of department foremen, assistant department foremen, other supervising or directing employees, and their clerks; pay of chauffeurs and oilers; pay of sweepers, cleaners, roustabouts, and other unskilled laborers employed in general work in and about shops and shop grounds; pay of watchmen, gatekeepers, and policemen at shops, repair tracks, and other places at which mechanical work is done; pay of employees while attending fires or fire drills; and pay of employees while making, repairing, or having charge of small shop tools.

(b) *Power.* The cost of fuel used in steam and other power plants in producing power for shops and for other places at which mechanical work is done; cost of oil, grease, waste, and other material used in the operation of such power plants; pay of stationary engineers, firemen, electricians, coal handlers, and other employees engaged in production of power; cost of carbon brushes, fuses, lamps, picks, pokers, scuttles, shovels, and other small tools and supplies; and cost of water and power purchased. (See § 10.04-12 *Power plant operations.*)

(c) *Heating.* The cost of fuel and other supplies used for heating shops and other places at which mechanical work is done, shop offices, watchmen's and gatekeepers' boxes, and inspectors' shanties; and the pay of firemen, coal handlers, and other employees engaged in operating heating boilers. (See § 10.04-12 *Power plant operations.*)

(d) *Lighting.* The cost of electric current, gas, oil, torches, lamp burners, lamp chimneys, lamps not permanently attached to buildings, incandescent lamps and carbons, and other material used in lighting shops and shop offices, repair tracks, and other places at which mechanical work is done, and cost of material used and labor expended in operating electric-light plants and repairing electric-light and other lamps at shops. (See § 10.04-12 *Power plant operations.*)

(e) *Switching locomotives.* All expenses, including wages, fuel, and supplies, of operating switching locomotives when exclusively assigned to switching service at shops. (The expenses of incidental switching at shops by locomotives in transportation switching service shall be charged to appropriate transportation accounts.)

(f) *Shop supplies.* Fuel for forge and other shop work; supplies and small tools used by mechanics on miscellaneous work and not durable; test-room and laboratory supplies used in connection with shop work; lubricating material for shop machinery and tools; water used at shops and shop offices, repair tracks, and other places at which mechanical work is done; and other supplies used generally in shop work.

#### LIST OF SUPPLIES AND SMALL TOOLS

Acid.	Disinfectants.
Adzes.	Ditching lines.
Ammonia.	Drill bits.
Auger bits.	Drinking cups.
Augers.	Drinking glasses.
Axes.	Dustpans.
Basins.	Emery.
Bath brick.	Emery boxes.
Battery brushes.	Emery cloth.
Beeswax.	Emery paper.
Bell cord.	Faucets.
Bluestone.	File cards.
Bone, granulated.	Files.
Borax.	Fire hooks for stationery boilers.
Bottles.	Fire shovels for stationery boilers.
Braces and bits.	Flags.
Brooms.	Flannel, canton.
Brushes, dust.	Forks.
Brushes, file.	Forks, coke.
Brushes, oil.	Funnels.
Brushes, paint.	Gimlets.
Brushes, scrub.	Glue.
Brushes, sweeping.	Gluepots.
Brushes, varnish.	Glycerin.
Brushes, wall.	Graphite.
Brushes, whitewash.	Grindstones.
Brushes, window.	Ground glass.
Buckets.	Hack-saw blades.
Carpenter tools furnished apprentices.	Hammers.
Casehardening compound.	Hammers, babbitt.
Cement, belt.	Hand leathers.
Chalk.	Handles for tools.
Chalk lines.	Hatchets.
Chamois skins.	Hoes.
Charcoal.	Keel.
Chisels.	Lampblack.
Clamps, hand.	Lead.
Coal picks.	Lye.
Compound for B. S. hammers.	Mallets.
Compound for grinding.	Marking brushes.
Compound for hydraulic jacks.	Marking pots.
Compound for welding.	Measures, liquid.
Corks.	Mineral paste.
Cosmic to prevent rust.	Mop handles.
Crayon.	Mops.
Cups, tin.	Muslin.
Cushion beaters.	Nippers.
Dippers.	Oil cans.
	Oilstones.
	Padlocks.
	Paint pots.
	Picks.
	Pipe-joint grease.

Pliers.	Spelter solder.
Plumbago.	Spigots for oil barrels.
Polish.	Spirit-level vials.
Polish, stove.	Spirit levels.
Potash.	Sponges.
Prisms.	Sprinkling cans.
Rakes.	Squares.
Rasps.	Squirts (lubricating).
Ratchet braces.	Stencil brushes.
Red lead.	Tacks.
Resin.	Tape lines.
Rope.	Tapes, metallic.
Rules.	Tool steel for small hand tools.
Sal ammoniac.	Tripoli.
Sand soap.	Trucks.
Sandpaper.	Twine.
Saw blades.	Washbasins.
Saws, hand.	Wheelbarrows.
Scoops.	Whetstones.
Screw drivers.	White lead.
Screws.	Whiting.
Shellac.	Window cloths.
Shovels.	Wire.
Slate pencils.	Wire brushes.
Slates.	Wrenches.
Sledges.	Zinc cakes.
Soap.	Zincs.
Soda.	
Solder.	
Soldering fluid.	

(g) *Incidental expenses.* Watchmen's uniforms, clocks, and call boxes; traveling expenses connected with the operation of shops and not directly chargeable to other accounts; removal of snow and ice from transfer tables and shop yards; cleaning of privy vaults; horse keep; cost of ice for shops; and other undistributed shop expenses.

§ 10.04-16 *Material store expenses.* To a clearing account called "Material store expenses" shall be charged expenses in connection with purchasing, handling and storing material in and distributing it from the company's storehouses, including the pay of officers and employees in the purchasing and store departments and their traveling, office, and other expenses; also all expenses, including wages, fuel, and supplies, of operating switching locomotives when exclusively assigned to the service of switching at material storehouses. (Expenses of incidental switching at material yards by locomotives in regular switching service shall be charged to the appropriate transportation accounts.) The pay and expenses of men employed in purchasing or inspecting a single class of material, such as ties, shall be added as store expenses to the cost of that particular material.

The total amount of storehouse expense charged to this account shall be so

distributed among the accounts to which material has been charged that the amounts thus distributed will be, for each account, in proportion to the value of the material issued chargeable thereto, except that the amount representing the purchasing department expenses shall be apportioned on the value of the material issued which was purchased by that department. To avoid monthly fluctuations in the ratio of store expenses to the value of material purchased or issued, carriers may make a monthly apportionment on the basis of fair percentage rates, provided the store expense account be adjusted and closed out at the end of each year.

**§ 10.04-17 Stationery store expenses.** A clearing account entitled "Stationery store expenses" shall be kept, to which shall be charged expenses in connection with purchasing, handling, and storing stationery, and for distributing it from the stationery stores, including the pay of officers and employees in the stationery store department and their traveling, office, and other expenses. The amounts charged to this account shall be apportioned to the accounts to which is charged stationery issued from the store, upon the basis of the charges to these accounts for such stationery. To avoid monthly fluctuations in the ratio of store expenses to the value of material issued or purchased, carriers may make a monthly apportionment on the basis of fair percentage rates, provided the stationery store expense account be adjusted and closed out at the end of each year.

**§ 10.04-18 Insurance.** Provision has been made in each of the general accounts for premiums paid and amounts set aside for fire and other insurance. Amounts of insurance recovered on account of losses shall be credited to the accounts to which the losses are chargeable.

**§ 10.04-19 Equalization of maintenance expenses.** The cost of maintaining way and structures and equipment shall be included in the appropriate primary accounts in the month in which the expense is incurred. In case the carrier adopts a budget or estimate for all or a part of the calendar year of expenses includible in one or more primary maintenance accounts or for the general accounts 200, "Maintenance of way and

structures," and 300, "Maintenance of equipment," an equitable monthly proportion of the difference between the budgeted or estimated expenses and the actual expenses chargeable each month may be debited or credited as appropriate to account 280, "Equalization—Way and structures," or account 338, "Equalization—Equipment," with contra entries in account 773½, "Equalization reserves." If certain primary accounts only are budgeted the carrier's records shall show for amounts included in the equalization accounts the amount of the equalization assignable to each such primary account.

Amounts included in account 773½, "Equalization reserves," in accordance with the foregoing paragraph, shall be cleared therefrom at the close of each calendar year through the equalization accounts originally charged or credited. (See § 10.04-25 *Deferred maintenance, and major repairs to equipment.*)

**§ 10.04-20 Accruals of expenses.** In order that operating expense accounts may as nearly as practicable include the full amount of expenses incurred by the carrier each month, the carrier shall accrue currently in the appropriate expense and balance-sheet accounts estimates of unaudited items affecting expenses. If these estimates are not fully adjusted in the following month, the balances in the balance-sheet accounts shall be kept separately by months until each is adjusted. The carrier is not required to anticipate items which would not appreciably affect the expense accounts.

**§ 10.04-22 Interpretation of item lists.** Lists of "items," "details," etc., have been given as a part of this classification for the purpose of clearly indicating the application of the accounting rules in specific cases. The lists in every case are to be considered as merely representative and not as excluding from any account analogous items which happen to be omitted from the list appended. On the other hand, the appearance of an item in a list warrants the inclusion of such item in the account concerned only when the text of the account also indicates inclusion, inasmuch as the same item frequently appears in more than one list—for example, the item of blank books under accounts 276, 334, 358, 410, and 458—and the proper charge in any one instance must be determined by the text of the account.

§ 10.04-23 *Delayed items.* Cancellation of entries recorded in balance-sheet accounts relating to operating expenses of former years shall be recorded in accordance with § 10.02-3 *Delayed items.*

§ 10.04-24 *Depreciation accounting; equipment.* The accounting for depreciation of equipment shall be in accordance with the following:

(a) There shall be currently charged to operating expenses, and other accounts and credited to account 702½D, "Accrued depreciation—Equipment," during the service life of equipment, amounts which will approximate the loss in service value not restored by current repairs or covered by insurance. These charges for currently accruing depreciation shall be computed at such percentage rate of the ledger value of the equipment that the service value may be distributed under the straight-line method in equal annual charges to operating expenses and other accounts during the estimated service life of the equipment.

(b) All depreciation charges to operating expenses, and other accounts and concurrent credits to account 702½D, "Accrued depreciation—Equipment," shall be made monthly in conformity with the group plan of accounting for depreciation. The term "group plan" as applied to equipment depreciation accounting means the plan under which "depreciation" charges are accrued upon the basis of the ledger value of the property included in each equipment primary account (51 to 54 and 56 to 58, all inclusive), using the average service life thereof properly weighted and, upon the retirement of any unit of such property, its full service value is charged to account 702½D, "Accrued depreciation—Equipment," whether or not the particular item has attained the estimated average service life. In determining such monthly charges and credits the annual percentage rates shall be applied to the ledger value, as of the first of each month, of the respective primary equipment accounts and the result divided by 12.

(c) For purposes of analysis the carrier shall maintain subsidiary records in which the reserve is broken down into component parts corresponding to each equipment primary account (51 to 54 and 56 to 58, all inclusive) showing in these records also in complete detail by each such primary account the current credits and debits to the reserve. Such detailed

information shall be reported annually to this Commission.

(d) In determining monthly depreciation charges to operating expense, and other accounts, and the corresponding credits to the depreciation reserve, the annual percentage rates applied to the ledger value of the property included in each primary equipment account (51 to 54 and 56 to 58, all inclusive) shall be those which are prescribed from time to time by this Commission, except that where no rates previously have been prescribed, the carrier's estimate of the annual percentage rates computed in accordance with this instruction shall be used.

(e) The carrier shall keep such records of equipment retirements, as will reflect the service lives and value of salvage of each class of equipment; shall maintain in convenient and accessible form engineering and other data bearing on prospective service lives; and shall be prepared at any time upon direction of this Commission to compute and submit for its approval, new percentage rates to take the place of those based on service lives or value of salvage found to be inaccurate.

(f) If the cause of retirement of a unit of equipment is not a recognized factor in depreciation but is a cause against which the carrier is insured the depreciation reserve shall be credited with the full amount of the insurance recovered. If the cause is not a recognized factor in depreciation and the loss is not covered by insurance the carrier may upon proof that the charge will result in unduly depleting the depreciation reserve and with the approval of this Commission charge all or a part of the service value of the unit to account 726, "Property retired chargeable to operating expenses," and distribute it from that account to account 330, "Retirements—Equipment."

(g) For the purpose of the group plan of depreciation accounting for equipment, the following primary accounts under account 50, "Equipment," are classed as depreciable accounts:

51. Steam locomotives.
52. Other locomotives.
53. Freight-train cars.
54. Passenger-train cars.
56. Floating equipment.
57. Work equipment.
58. Miscellaneous equipment.

(h) The accounting for the depreciation of leased equipment shall be in ac-



cordance with § 10.05-2 *Leased road and equipment; depreciation*. The depreciation on equipment includible in operating expenses by the lessee under that instruction shall be stated under the group plan in accordance with the foregoing instructions pertaining to the carrier's owned equipment.

§ 10.04-25 *Deferred maintenance, and major repairs to equipment*. When so authorized by the Commission there may be included each month in account 268, "Deferred maintenance—Way and structures"; account 339, "Deferred maintenance—Equipment"; and account 340, "Major repairs—Equipment"; an equitable proportion of the amount estimated as necessary (a) to provide for the cost of repairs which the carrier finds it is unable to undertake or complete during any calendar year due to non-receipt of material and supplies because of priorities regulations or due to adverse labor conditions; (b) also in anticipation of major repairs to equipment when such repairs are made at intervals of several years. The amounts included in these accounts shall be concurrently credited to account 774, "Maintenance reserves." The cost of such repairs when made shall be charged according to the repairs to the appropriate primary accounts under maintenance of way and structures and maintenance of equipment, and to the extent that provision has been made for such repairs, amounts included in account 774, "Maintenance reserves", shall be cleared therefrom through the accounts originally charged. The carrier in its application to the Commission shall give full particulars concerning the nature of the repair work specifically provided for in this section, and an estimate by primary accounts of the cost of such repairs.

#### EXPENSE ACCOUNTS

##### MAINTENANCE OF ROADWAY

§ 10.200 *Maintenance of way and structures*. The primary accounts included in this general account are designed to show the expenses of maintaining road property devoted to railway operations, with the exception of shop machinery, power plant machinery, and power plant apparatus, the expenses of maintaining which are includible in general account 300, "Maintenance of equipment."

The accounts for maintenance of way and structures shall be kept in such man-

ner as to show separately, by primary accounts, the expenses directly assignable to sleeping car operations, dining and buffet service, hotels and restaurants, grain elevators, stockyards, producing power sold, and other miscellaneous operations.

§ 10.201 *Superintendence*. This account shall include:

(a) *Pay of officers*. The pay of officers directly in charge of or engaged in the maintenance of roadway and structures.

##### LIST OF OFFICERS

Vice president.  
Assistant vice president.  
General manager.  
Assistant general manager.  
General superintendent.  
Assistant general superintendent.  
Chief engineer.  
Engineer.  
Division engineer.  
Bridge engineer.  
Chief signal engineer.  
Assistant engineers.  
Architect.  
Roadmaster.  
Assistant roadmaster.  
Master carpenter.  
Assistant master carpenter.  
Master mason.  
Superintendent of roadway structures.  
Superintendent of scales.  
Inspector of maintenance.  
Building inspector.  
Inspector of roadway stores.  
Supervisor.  
Assistant supervisor.  
Fire Chief.  
Fire inspector.  
Sanitary inspector.

(b) *Pay of clerks and attendants*. The pay of clerks and other employees in the offices and on the business cars of officers whose pay is chargeable to this account.

##### LIST OF EMPLOYEES

Chief clerk.	Chainmen.
Draftsmen.	Axmen.
Clerks.	Janitors.
Stenographers.	Messengers.
Transitmen.	Cooks.
Levelmen.	Porters.
Rodmen.	

(c) *Office and other expenses*. Office expenses and other expenses of officers and employees whose pay is chargeable to this account; also amounts paid detective agencies and others for investigations in connection with maintenance of way and structures.

##### ITEMS OF EXPENSE AND SUPPLIES

Atlases and maps.  
Books for office use.

Business car service.  
 Fees and dues in associations.  
 Furniture repairs and renewals.  
 Heating.  
 Lighting.  
 Official train service.  
 Periodicals and newspapers.  
 Power.  
 Provisions for business cars.  
 Rent of offices.  
 Repairs of rented offices.  
 Telegraph service.  
 Telephone service.  
 Traveling expenses.  
 Water and ice.

#### SUPPLIES FOR TECHNICAL ASSISTANTS

Barometers.	Planimeters.
Books and maps.	Plummets.
Boxes for materials	Protractors.
and instruments.	Ranging poles.
Cameras.	Reading glasses.
Camp equipage.	Rods for surveyors.
Chains for surveyors.	Scales.
Compasses.	Section liners.
Curves.	Sextants.
Drafting boards.	Slide rules.
Drafting instru-	Stakes.
ments.	Straightedges.
Field glasses.	Tally registers.
Field notebooks.	Tape lines.
Hatchets.	Tee-squares.
Levels.	Telescopes.
Magnets.	Thermometers.
Magnifiers.	Thumb tacks.
Marking chalk.	Tracing linens.
Oilstones.	Transits.
Paper, blue-print.	Traverse tables.
Parallel rules.	Triangles.
Photographic sup-	Tripods.
plies.	Verniers.
Plane tables.	

**NOTE A:** When employees designated above are specifically assigned to construction work, their pay and expenses while thus employed shall be charged to the work upon which engaged. (See § 10.01-4 *Cost of construction*.)

**NOTE B:** When officers designated above have supervision over more than one department, their salaries, the pay of their clerks and attendants and their office and other expenses shall be apportioned equitably among the departments over which they have jurisdiction.

**NOTE C:** No part of the pay and expenses of the officers and employees designated above shall be charged to other primary accounts under account 200, "Maintenance of way and structures."

**NOTE D:** The cost of stationery for maintenance of way and structures offices is chargeable to account 276, "Stationery and printing."

§ 10.202 *Roadway maintenance.* This account shall include:

(a) *Care of roadbed.* The cost of repairing roadbed.

#### ITEMS OF ROADWAY EXPENSE

Blasting rocks.  
 Building temporary tracks around slides and washouts.  
 Repairing and cleaning tile ditches, open ditches, and drains.  
 Crowning track ties with retaining earth.  
 Filling borrow and cattle pits.  
 Keeping tracks clear and repairing sub-grade in case of washouts.  
 Landscape gardening along roadway.  
 Oiling roadbed.  
 Post driving and pressure grouting to promote stability of roadbed.  
 Removing temporary tracks around slides and washouts.  
 Repairing roadbed damaged by washouts.  
 Removing dangerous rocks.  
 Removing slides.  
 Restoring roadbed, cuts, fills, and embankments to standard width.  
 Sloping cuts.  
 Sodding roadway.

**NOTE A:** The cost of drains or sewers laid under tracks shall be included in account 208, "Bridges, trestles, and culverts." The cost of landscape gardening within the limits of the grounds around buildings shall be included in the appropriate repair accounts for buildings.

(b) *General cleaning.* The cost of cutting, removing, and disposing of brush, grass, and weeds from the right of way; plowing and digging fireguards; dressing ballast and cutting sod lines; removing miscellaneous scrap, drift, cinders, dirt, and other material from right of way and from road and terminal tracks (including tracks at stations, engine yards, and car yards); and cleaning streets used as roadways.

**NOTE B:** Loading ashes at engine-yard tracks shall be charged to the engine-house expense accounts.

(c) *Watching roadway.* The cost of extinguishing fires on right of way and adjacent thereto, and of walking, watching, and patrolling tracks and right of way.

**NOTE C:** The cost of watching and patrolling bridges, buildings, and miscellaneous property is provided for in accounts specifically relating to such property.

(d) *Bank protection.* The cost of repairs to riprap, piling, dikes, piers, breakwaters, revetments and retaining walls, which were placed or constructed for bank protection.

(e) *Train service.* The cost of work-train service in connection with work pertaining to roadway maintenance.

(f) *Track changes.* The cost of roadway work in connection with taking up and relocating tracks.

(g) *Other expenses.* The cost of roadway work not provided for elsewhere, such as official roadway inspection train service and premiums in connection with roadway maintenance.

NOTE D: Tools and supplies used by repair men and watchmen in roadway maintenance service shall be charged to account 271, "Small tools and supplies."

[12 F. R. 4452, as amended at 12 F. R. 6576 and 13 F. R. 6633]

§ 10.206 *Tunnels and subways.* This account shall include the cost of repairing, ventilating, lighting, and watching tunnels and subways for the passage of trains, and the cost of special tools and supplies furnished in connection with the work.

NOTE: The cost of repairs to signals and to roadway and tracks in tunnels shall be charged to the appropriate maintenance of way accounts and not to this account.

§ 10.208 *Bridges, trestles, and culverts.* This account shall include the cost of repairing (including fuel and supplies used) and watching bridges, trestles, and culverts, including altering and bracing during process of filling, dredging and cleaning water channels for protection, and cleaning culverts.

The bridges, trestles, and culverts referred to in this account include only structures which carry the carrier's own tracks.

#### DETAILS OF BRIDGE STRUCTURES

Abutments.	Ice breakers.
Bridge signs.	Painting.
Cofferdams.	Pier protection.
Concrete and masonry ends for culverts.	Piers and foundations.
Cribs.	Pipe culverts.
Decking, including gravel for fire protection.	Retaining walls.
Dike protection.	Riprap around abutments.
Drainage systems.	Riprap at culvert ends.
Draw protection.	Supports.
Drawbridge engines and machinery.	Water channels.
False work.	Waterproofing.
Guard timbers.	Wing dams.
	Wing walls.

NOTE: When a part of the entire structure of a bridge or trestle is converted, by filling into an earth embankment, the ledger value of the structure, or of the portion thereof filled, shall be credited to road and equipment account 6, "Bridges, trestles, and culverts." In case the bridge is used in lieu

of a temporary trestle for the purpose of filling, the estimated cost of such a temporary trestle shall be charged to road and equipment account 3, "Grading." The ledger value of the structure, or portion thereof, filled, less the value of the salvage and the estimated cost of trestle charged to road and equipment account 3, "Grading," shall be charged to account 702½ C.

§ 10.210 *Elevated structures.* This account shall include the cost of repairing elevated structures and foundations of elevated railway systems.

§ 10.212 *Ties.* This account shall include the cost of cross, switch, bridge, and other track ties used in the repairs of tracks.

NOTE A: The cost of labor for unloading, distributing, and putting ties in tracks, the cost of work-train service in connection with the distribution of the ties laid, and the cost of picking up and concentrating or disposing of the ties released shall be charged to account 220, "Track laying and surfacing."

NOTE B: The excess cost of metal ties applied in place of wooden ties over the cost at current prices of replacing in kind the wooden ties removed shall be charged to road and equipment account 8, "Ties."

NOTE C: The cost of ties used for repairs of tracks in quarries and ballast pits shall be included in the appropriate clearing accounts, and of ties used for repairs of tracks on car floats in account 323, "Floating equipment—Repairs."

§ 10.214 *Rails.* This account shall include the cost (less salvage) of rails used in the repairs of tracks; also the cost (at current prices at time of removal) of the excess in weight of heavy rails removed and lighter rails applied in repairs of tracks.

NOTE A: The cost of labor for unloading, distributing, and putting rails in tracks, the cost of work-train service in connection with the distribution of the rails laid, and the cost of picking up and concentrating the rails released shall be charged to account 220, "Track laying and surfacing."

NOTE B: The cost of the excess weight of heavier rails applied in repairs of tracks in replacement of lighter rails shall be included in account 9, "Rails."

NOTE C: The cost of rails used for repairs of tracks in quarries and ballast pits shall be included in the appropriate clearing accounts, and of rails used for repairs of tracks on car floats to account 323, "Floating equipment—Repairs."

§ 10.216 *Other track material.* This account shall include the cost (less salvage) of all track material used in the repairs of tracks, other than ballast, ties, and rails.

## ITEMS OF OTHER TRACK MATERIAL

Angle bars.	Rail splices.
Anticreepers.	Splice bars.
Connecting rods.	Step chairs.
Derails.	Switch chairs.
Frog and guard-rail blocking.	Switch crossings.
Frogs.	Switch lamps.
Guard-rail clamps.	Switch locks and keys.
Guard-rail fasteners.	Switch points.
Guard rails.	Switch stands.
Main rods.	Switch-stand bolts.
Nut locks.	Switch targets.
Nuts.	Switches.
Offset bars.	Tie plates.
Rail braces.	Tie plugs.
Rail chairs.	Tie-rods.
Rail clips.	Track bolts.
Rail joints.	Track insulators.
Rail rests.	Track spikes.
Rail shims.	

**NOTE A:** The cost of labor and train service for distributing, unloading, and applying "other track material" used, and the cost of picking up and concentrating the material released shall be charged to account 220, "Track laying and surfacing."

**NOTE B:** The excess cost of improved or heavier track material applied for repairs of tracks, under a definite plan of changing standards, over the cost, at current prices, of material of the same weight and quality as that released, shall be charged to road and equipment account 10, "Other track material."

**NOTE C:** The cost of "other track material" used for repairs of tracks in quarries and ballast pits shall be included in the appropriate clearing accounts, and of such track material used for repairs of tracks on car floats in account 323, "Floating equipment—Repairs."

**§ 10.218 Ballast.** This account shall include the cost of gravel, stone, slag, cinders, sand, and like ballast material used in the repairs of tracks, including the cost of work-train service and of unloading the material. (See § 10.04—11 *Gravel and sand pits and quarries.*)

When the ballast taken from a pit is not sufficient to justify the opening of a clearing account, the cost of gravel and quarry rights and cost of sinking test holes shall be included in this account.

**NOTE A:** The cost of loading cinders at ash pits shall be charged to account 388, "Enginehouse expenses—Yard," or to account 400, "Enginehouse expenses—Train." No charge to cover the value of cinders accumulated by the carrier shall be included in this account.

**NOTE B:** The cost of labor putting ballast in tracks shall be included in account 220, "Track laying and surfacing."

**NOTE C:** The excess cost of ballasting tracks over the cost of replacing in kind to its

maximum height and width the ballast previously put in the roadbed shall be charged to road and equipment account 11, "Ballast."

**NOTE D:** Earth placed to form a crown in the middle of the track is not to be considered as ballast.

**NOTE E:** The cost of ballast used for repairs of temporary tracks, such as gravel pit or quarry tracks, shall be included in the appropriate clearing accounts

**§ 10.220 Track laying and surfacing.** This account shall include:

(a) *Applying ballast.* The cost of labor expended in preparing the roadbed, and applying ballast for repairs of tracks.

(b) *Applying ties.* The cost of labor expended in unloading, distributing and applying ties for repairs of tracks; in gathering up and disposing of the ties released; and in respacing ties.

(c) *Applying rails.* The cost of labor expended in unloading, distributing, cutting, slotting, drilling, adzing for, and laying rails for repairs of tracks; in gathering up and loading rails released; and in adjusting for expansion and contraction of rails.

(d) *Applying other track material.* The cost of labor expended in unloading, distributing, and applying other track material for repairs of tracks; and the cost of gathering up and loading the material released.

(e) *Track maintenance.* The cost of labor expended in aligning, surfacing, gauging, and shimming tracks; in tightening track bolts and track spikes; in restoring rails, ties, and ballast in case of washouts, derailments, and wrecks; and in taking up tracks.

(f) *Train service.* The cost of work-train service (except work trains distributing ballast material) in connection with work pertaining to track laying and surfacing.

(g) *Track changes.* The cost of track work (exclusive of the cost of track material) in taking up and relocating tracks.

(h) *Other expenses.* The cost of track laying and surfacing work not provided for elsewhere, and expenses, such as repairing and replacing rail rests, official track inspection train service, and premiums in connection with track repairs.

**NOTE:** Tools and supplies used by track repair men and watchmen shall be charged to account 271, "Small tools and supplies."

**§ 10.221 Fences, snowsheds, and signs.** This account shall include:

(a) *Fences.* The cost of repairing right-of-way fences and snow and sand fences, farm gates, cattle guards, wing fences, aprons, and hedges, excluding those around stockyards, fuel stations, station and shop grounds, and building sites.

(b) *Snowsheds.* The cost of repairing snowsheds, including cost of replacing trees for protecting tracks from snow.

(c) *Signs.* The cost of repairing signs other than those for identification of bridges, signals, stations, and other structures. (For items of signs see account 13. "Fences, snowsheds, and signs.")

**NOTE A:** The cost of repairing fences (other than right-of-way boundary fences) around stockyards, fuel and water stations, and other building sites, shall be charged to the accounts appropriate for the cost of repairs of the structures.

**NOTE B:** The cost of repairing signs for identifying bridges, signals, stations, and other structures shall be included in the account appropriate for the cost of repairs of the structures.

**NOTE C:** The cost of repairing crossing signals, including crossing gates, shall be included in account 249. "Signals and interlockers."

**§ 10.227 Station and office buildings.** This account shall include the cost of repairing station and office buildings, fixtures, and appurtenances (including those for heating and lighting), used by the carrier in its operations; also the cost of maintaining grounds appurtenant to such buildings.

#### STATION AND OFFICE STRUCTURES AND DETAILS

Baggage rooms.  
Breakwaters for protection of buildings.  
Buildings and rooms for trainmen.  
Buildings on piers.  
Call bells.  
Coal bins.  
Coal-transferring machinery (not on coal and ore wharves).  
Coal trestles (not at fuel stations).  
Commissarial buildings.  
Drainage and sewer systems.  
Dwellings.  
Eating houses.  
Electric wiring.  
Elevators and machinery.  
Express buildings.  
Fences.  
Fire-engine houses.  
Freight cranes.  
Freight derricks.

Freight handling machinery.  
Freight houses.  
Garages.  
Gas-supply systems.  
General office buildings.  
Grain cribs.  
Grain elevators.  
Grain warehouses.  
Greenhouses.  
Hay houses.  
Heating plants.  
Hedges.  
Hoisting engines, for handling freight.  
Hose houses.  
Ice houses.  
Lighting plants.  
Mall cranes.  
Milk stands.  
Office buildings.  
Ore transferring machinery (not on coal and ore wharves).  
Outhouses.  
Pavement in ground limits.  
Platforms, freight.  
Platform, passenger including planking between tracks.  
Power distribution systems, interior.  
Reading rooms.  
Rooms for Y. M. C. A.  
Scale houses.  
Sidewalks.  
Stables.  
Station footbridges (not highway crossings).  
Station intertrack fences.  
Station platforms.  
Station signs.  
Station stairways.  
Station subways (not highway crossings).  
Station powerhouses.  
Stations, freight.  
Stations, passenger.  
Stock pens.  
Stockyards.  
Storehouses.  
Telegraph offices.  
Telpher systems.  
Track scales.  
Transfer houses.  
Transfer platforms.  
Waiting rooms.  
Warehouses.  
Washrooms.  
Water-supply systems.

**NOTE:** Incidental cleaning, including the cost of cleaning snow from roofs, when done by station or office employees, shall not be included in this account.

**§ 10.229 Roadway buildings.** This account shall include the cost of repairing roadway shops and other roadway buildings, including drainage, water, gas, and sewer pipes and their connections, machinery and other apparatus, fixtures, and furniture in the buildings; also the cost of maintaining the grounds appurtenant to such buildings.

## LIST OF ROADWAY STRUCTURES

Bins for material.  
 Blacksmith shops.  
 Boarding houses.  
 Breakwaters for protection of buildings.  
 Carpenter shops.  
 Dwellings for roadway employees.  
 Fire-engine houses.  
 Frog shops used solely for repairs of track material.  
 Hand-car houses.  
 Lumber sheds.  
 Offices.  
 Outhouses.  
 Planing mills.  
 Rail shops used solely for repairs of track material.  
 Repair shops.  
 Scrap bins.  
 Section dwelling houses.  
 Stables.  
 Storehouses.  
 Tool houses.  
 Watch houses.

**NOTE A:** The cost of repairing signal and interlocker buildings and their appurtenances shall be included in account 249, "Signals and interlockers."

**NOTE B:** Incidental cleaning, including the cost of cleaning snow from roofs, when done by employees regularly working in the buildings, shall not be included in this account.

**§ 10.231 Water stations.** This account shall include the cost of repairing water stations, fixtures, and appurtenances used by the carrier in its operations, and the cost of maintaining the grounds appurtenant to such stations.

## WATER STATION STRUCTURES AND DETAILS

Boilers.	Settling basins.
Breakwaters for protection of buildings.	Stationary engines.
Buildings on piers.	Steam pipes.
Cisterns.	Tanks and foundations.
Dams.	Track tanks.
Fences.	Tubs.
Outhouses.	Water cranes.
Penstocks.	Water-pipe lines.
Pump houses.	Water-treating plants.
Pumps.	Wells.
Purifying plants.	Windmills.
Reservoirs.	

**NOTE:** Incidental cleaning, including the cost of cleaning snow from roofs, when done by water station employees, shall not be included in this account.

**§ 10.233 Fuel stations.** This account shall include the cost of repairing fuel stations, fixtures, and appurtenances used by the carrier in its operations, and the cost of maintaining the grounds appurtenant to such stations.

## FUEL STATION STRUCTURES AND DETAILS

Breakwaters for protection of buildings.	Fuel-oil plants.
Buckets.	Fuel-oil pumps.
Buildings on piers.	Fuel-oil sumps.
Coal buggies.	Fuel-oil tanks.
Coal hoists.	Fuel platforms.
Coal pockets and chutes.	Fuel wharves.
Dumping machinery	Inclines.
Elevating machinery	Outhouses.
Fences.	Scales.
Fuel houses.	Sheds.
Fuel-oil columns.	Stationary engines.
	Tipple cars.
	Weighing apparatus.
	Wood racks.

**NOTE:** Incidental cleaning, including the cost of cleaning snow from roofs, when done by fuel station employees, shall not be included in this account.

**§ 10.235 Shops and enginehouses.** This account shall include the cost of repairing shop and enginehouse buildings, fixtures, and appurtenances used by the carrier in repairing and preparing equipment, and the cost of maintaining the grounds appurtenant to such buildings.

## SHOP AND ENGINEHOUSE STRUCTURES AND DETAILS

Air-compressor houses.	Motor-crane tracks.
Ash pits and pockets.	Offices, shop.
Ash plants.	Oil houses.
Bins for material.	Outhouses.
Blacksmith shops.	Paint shops.
Breakwaters for protection of buildings.	Pipe lines, air, interior.
Buildings on piers.	Pipe lines, car-heating.
Car sheds.	Pipe lines, gas interior.
Car shops.	Planing mills.
Carpenter shops.	Platforms, shop and yard.
Cinder pits.	Repair shops.
Cinder pockets.	Sand houses.
Drop pits.	Scale houses.
Dry houses.	Scrap bins.
Electric power distribution systems within buildings.	Sidewalks.
Enginehouses.	Stables.
Fire-engine houses.	Steam distribution systems, interior.
Footbridges (not public highways).	Storehouses.
Foundries.	Tanks, gas.
Gas-compressor houses.	Tanks, oil.
Heating plants.	Test rooms.
Hose houses.	Tin shops.
Ice houses.	Tool houses.
Laboratories.	Track scales.
Lighting plants.	Transfer tables.
Lumber sheds.	Turntables.
Machine shops.	Upholstering shops.
Material and supply truck tracks.	Warehouses.
	Wash rooms.
	Watch houses.

**NOTE A:** The cost of repairing machinery and other apparatus, including special foundations in shops for maintenance of equipment shall be included in account 302, "Shop machinery."

**NOTE B:** Incidental cleaning, including the cost of cleaning snow from roofs, when done by shop employees, shall not be included in this account.

**§ 10.237 Grain elevators.** This account shall include the cost of repairing structures for the transfer, treatment, and storage of grain, including conveyors, machinery and fixtures; also the cost of maintaining the grounds appurtenant to such buildings.

The buildings referred to in this account are large elevators in which a regular grain business is handled or grain is stored for various owners.

**NOTE A:** Small storage elevators at way stations, where the freight is received for shipment, etc., are classed as station buildings.

**NOTE B:** Incidental cleaning, including the cost of cleaning snow from roofs, when done by grain elevator employees shall not be included in this account.

**§ 10.239 Storage warehouses.** This account shall include the cost of repairing storage warehouses, including machinery and fixtures therein; also the cost of maintaining the grounds appurtenant to such warehouses.

The buildings referred to in this section are not the ordinary freight warehouses or stations where freight is received for shipment, etc., but are warehouses in which merchandise is stored and which the carrier operates as storage warehouses.

**NOTE:** Incidental cleaning, including the cost of cleaning snow from roofs, when done by storage warehouse employees, shall not be included in this account.

**§ 10.241 Wharves and docks.** This account shall include the cost of repairing wharves located at marine, lake, or river docks; dredging waterways to approaches and around such structures, including removal of dredged-out material; and cutting ice in and around docks and wharves to prevent damage; also cost of repairs of cribwork, racks, or caissons for preserving the depth of water in docks; and cost of repairs of guards, piling, and other protection against damage by drift or ice.

#### DETAILS OF WHARVES AND DOCKS

Bridge pontoons.	Caissons.
Bulkheads.	Cribwork.

Drydocks.  
Ferry-bridge machinery.  
Ferry bridges.  
Ferry racks.

Ferry slips.  
Jetties and inclines.  
Transfer-bridge machinery.  
Transfer bridges.

**NOTE A:** The cost of repairing buildings, tracks, and machinery (not bridge machinery) on wharves and piers shall be charged to the appropriate expense accounts.

**NOTE B:** The cost of repairing coal and ore wharves shall be charged to account 243, "Coal and ore wharves."

**NOTE C:** Incidental cleaning, when done by regular wharf employees, shall not be included in this account.

**§ 10.243 Coal and ore wharves.** This account shall include the cost of repairing wharves and docks, including the cost of repairing conveyors, machinery, and fixtures for the transfer, treatment, blending, or storage of coal or ore.

**NOTE A:** The structures referred to in this account do not include small transfer or storage trestles at stations where coal is stored or delivered, such trestles being classed as station buildings.

**NOTE B:** Incidental cleaning, including the cost of cleaning snow from roofs, when done by coal and ore wharf employees, shall not be included in this account.

**§ 10.247 Communication systems.** This account shall include the cost of repairing telegraph, telephone, radio, radar, inductive train communication, and other communication systems, including terminal equipment.

#### DETAILS OF TELEGRAPH AND TELEPHONE TERMINAL EQUIPMENT

Batteries.  
Cables and wires, interior.  
Carrier terminating equipment.  
Conduits, interior.  
Connecting wires.  
Current-controlling instruments.  
Electric generators and motors.  
Electric meters.  
Engines, stationary.  
Fuses and mechanical protectors.  
Rectifiers.  
Rheostats.  
Sending and receiving instruments.  
Switchboards.  
Telegraph repeaters.  
Telephone repeaters.  
Teletypewriters.  
Testing outfits.  
Transformers.

#### DETAILS OF TELEGRAPH AND TELEPHONE OUTSIDE PLANT

Aerial attachments.  
Braces.  
Brackets.  
Cable boxes and appurtenances.  
Cables and wires, aerial.  
Conduits and appurtenances.

Cross arms.  
 Gas and associated facilities for cables.  
 Guy stubs.  
 Guy wires.  
 Insulators.  
 Load coils.  
 Poles.  
 Submarine cables and connections.  
 Telephone pole boxes.  
 Towers.  
 Underground cables and connections.

#### DETAILS OF RADIO, RADAR, AND INDUCTIVE TRAIN COMMUNICATION EQUIPMENT

Aerials or antenna, and attachments.  
 Buildings or towers used exclusively for wireless.  
 Control units.  
 Power generating, converting, or supply equipment.  
 Radar console and associated equipment.  
 Roadside or office equipment for all wireless systems operated on special channels between train and train, train and tower or office, or between ship and shore.  
 Specialized testing and repair equipment.  
 Transmitters and receivers, including mobile units.

**NOTE A:** Repairs of radio, radar, or train-phone equipment (except portable apparatus) which is permanently attached to locomotives, cars, work equipment, or other rolling stock or floating equipment shall be included in the same account as repairs of the equipment on which installed. Repairs of wireless sets for instructions, advertising, or entertainment shall be included in the same account as repairs of the building in which located.

**NOTE B:** Repairs of communications systems of limited extent, not connected with other systems, used for special purposes and usually installed within a single building, group of buildings, or within the limits of a station or shop layout or yard, shall be included in the same account as repairs of the building in which located or in the account appropriate for the service with which associated.

**NOTE C:** The pay, rent, other office expenses, and traveling expenses of officers, their clerks and attendants, who supervise, or are engaged both in maintenance and operation, shall be apportioned equally between this account and account 407, "Communication system operation."

#### ITEMS

Buzzers, bells, dictaphones, or other inter-office communication systems in an office or group of buildings.  
 Loud speakers, bells, or whistles in shop and other yards.  
 Loud speakers, public address devices, press button control lights, telautograph, or other systems in stations or on platforms.  
 Whistles, klaxons, or horns operated from signal towers.

#### § 10.249 *Signals and interlockers.*

This account shall include the cost of repairing signals and interlockers governing the movements of locomotives and trains, and for the protection of traffic at crossings, including towers and other buildings, furniture, fixtures, and machinery in connection therewith; also the cost of repairing buildings and machinery of power plants used primarily for the production of power for the operation of signals and interlockers.

For list of items see account 27, "Signals and interlockers."

**NOTE A:** The pay and expenses of employees engaged both in maintaining and operating signals and interlockers shall be apportioned equitably between this account and account 404, "Signal and interlocker operation."

**NOTE B:** When signal or interlocking apparatus is located in station buildings, only the cost of repairing the signal or interlocking apparatus shall be charged to this account. The cost of repairing the building shall be included in account 227, "Station and office buildings."

**NOTE C:** The cost of repairs of track material such as special rail braces, special rods, switches, special track fastenings, split rails, derails, derail stands, and frogs, used in connection with interlockers shall be included in account 216, "Other track material."

**NOTE D:** When derails are arranged so as to be thrown from switch stands, the cost of labor expended for repairs of the connections between the switch stands and the derail and devices for throwing the derail, shall be included in account 220, "Track laying and surfacing."

**NOTE E:** The salaries, office expenses, and traveling expenses of supervisors or inspectors when engaged in maintaining both telegraph and telephone lines and signals and interlockers shall be equitably apportioned between this account and account 247, "Communication systems."

§ 10.253 *Power plants.* This account shall include the cost of repairing power-plant and substation buildings, including all foundations other than those special to particular machines and apparatus; and also dams, canals, pipe lines, and accessories devoted to the utilization of water for power. Gas and sewer pipes and their connections, fixtures (including wiring) for lighting and heating, and miscellaneous fixtures, shall be considered as a part of the power-plant buildings.

The power-plant buildings here referred to are those in which power is produced for the operation of trains and cars and for general purposes.



For list of items see road and equipment account 29, "Power plants."

**NOTE A:** The cost of repairing power-plant machinery, including small stacks resting on boilers, and special foundations for machines, shall be included in account 304, "Power-plant machinery."

**NOTE B:** The cost of repairing the buildings and the power machinery and other apparatus of plants used primarily for operating signals and interlockers shall be included in account 249, "Signals and interlockers."

**§ 10.257 Power-transmission systems.** This account shall include the cost of repairing systems for conveying electricity, steam, and compressed air from producing plants to place or building where used; also the cost of conduits and poles, cross arms, insulator pins, brackets and other pole fixtures, and of other structures for power-transmission and distribution systems, including those for electric railway operation, and lighting systems for general lighting purposes.

For list of items see account 31, "Power-transmission systems."

**NOTE A:** The cost of repairing the portions of distribution systems located within shop buildings and station and office buildings shall be included in the accounts provided for the cost of maintaining the buildings. The cost of repairing distribution systems in plants used primarily for operating signals and interlockers shall be included in account 249, "Signals and interlockers."

**NOTE B:** The cost of repairing conduits and poles and fixtures for telegraph and telephone lines shall be included in account 247, "Communication systems." If poles and conduits are used both for telegraph and telephone lines, and for power-distribution lines, the cost of repairs thereof shall be included in the account appropriate according to their predominant use.

**§ 10.265 Miscellaneous structures.** This account shall include the cost of repairing permanent structures, not provided for elsewhere, including the cost of repairing all furniture and fixtures to equip them for use. It shall also include the cost of maintenance of the grounds appurtenant to such structures.

**NOTE A:** When separable the cost of maintaining structures which are rented to other companies or individuals shall be charged to the income account in which is included the rent received for use of the structures.

**NOTE B:** Incidental cleaning, including the cost of cleaning snow from roofs, when done by employees regularly working in miscellaneous buildings, shall not be included in this account.

**§ 10.266 Road property; depreciation.** This account shall include the amount of depreciation charges applicable to the

accounting period for all classes of depreciable road property listed in paragraph (g) of § 10.04-8 *Depreciation accounting; road property*, with the exception of shop machinery and power-plant machinery.

**NOTE:** Depreciation charges applicable to shop machinery and power-plant machinery shall be included in account 305, "Shop and power-plant machinery—Depreciation."

**§ 10.267 Retirements; road.** This account shall include charges for the service value (ledger value less value of salvage) of nondepreciable road property retired, excluding rail, ties, and other track material, and ballast used in repairs, as defined in this classification. This account shall also include the proportion of the service value of nondepreciable and depreciable road property retired carried in account 726, "Property retired chargeable to operating expenses," which by specific authority of the Commission shall be charged to current operating expenses. (See § 10.04-6 *Distribution of charges for nondepreciable road property retired*, and paragraph (k) of § 10.04-8 *Depreciation accounting; road property*.)

When road property previously subject to amortization accounting under section 124, "Amortization deductions," of the Internal Revenue Code is retired, the difference between the service value (ledger value less value of salvage and insurance recovered) thereof, and the balance in account 702½E, "Accrued amortization of defense projects—Road," with respect to the specific facility retired, after appropriate adjustment for any depreciation accrued thereon, shall be included in this account.

This account shall also be charged with such amounts as are concurrently credited to accounts 72 to 77, inclusive, in accounting for the retirement of road property.

**NOTE:** The cost of dismantling or demolishing the property, if borne by the carrier, shall be charged to account 270, "Dismantling retired road property," or account 306, "Dismantling retired shop, and power-plant machinery," as may be appropriate.

**§ 10.268 Deferred maintenance; way and structures.** This account shall include the estimated cost of repairs to way and structures which cannot be made during the current year due to priorities for materials and supplies or shortage of labor.

This account shall be credited with amounts cleared from account 774,

"Maintenance reserves", in accordance with the text of that account. (See § 10.04-25 *Deferred maintenance, and major repairs to equipment.*)

§ 10.269 *Roadway machines.* This account shall include the cost of repairing roadway machines which are used for the repairs of roadway and structures.

#### LIST OF ROADWAY MACHINES

Boilers, portable.	Engines, portable.
Cars, hand.	Grading outfits.
Cars, lever.	Hydraulic outfits.
Cars, motor inspection.	Jacks, hydraulic.
Cars, push.	Log loaders.
Cars (small), crane, for supply yards and general use.	Pile drivers.
Concrete mixers.	Plows, unloading
Ditching machines.	Rail unloaders.
Dredging machines.	Rock crushers.
	Steam rollers.
	Timber trucks.
	Velocipedes

NOTE A: The cost of repairing machines in the maintenance of equipment shops shall be included in account 302, "Shop machinery," as provided for therein.

NOTE B: The cost of repairing roadway machines, such as pile drivers, log loaders, hoisting engines, and concrete mixers, when permanently mounted for movement on carrier's tracks, shall be included in account 326. "Work equipment—Repairs."

§ 10.270 *Dismantling retired road property.* This account shall include the cost of dismantling retired road property and recovering the salvage therefrom with the exception of track material recovered in connection with repairs of tracks as provided for in account 220, "Track laying and surfacing," and shop and power-plant machinery.

NOTE: The cost of removing, gathering up, and disposing of track material in connection with repairs of tracks is includible in account 220, "Track laying and surfacing," and of shop and power-plant machinery in account 306, "Dismantling retired shop and power-plant machinery."

§ 10.271 *Small tools and supplies.* This account shall include:

(a) *Roadway and track tools.* The cost of roadway tools (except special tools provided for elsewhere), including the cost of repairing such tools

#### LIST OF ROADWAY AND TRACK TOOLS

Adzes.	Bars, lining.
Anvils.	Bars, pinch.
Augers.	Bars, raising.
Axes.	Bars, tamping.
Ballast forks.	Braces and bits.
Bars, claw.	Brooms.
Bars, crow.	Brush hooks.

Cable stretchers.  
Cables.  
Cans, oil.  
Cans, water.  
Cant hooks.  
Chains.  
Chisels, track.  
Chisels, wood.  
Curbing hooks.  
Dippers.  
Drawing knives.  
Drill bits.  
Drills (portable).  
Flags, signal.  
Furnaces (portable).  
Grindstones.  
Hammers, napping.  
Hammers, paving.  
Hammers, spiking.  
Handles for tools.  
Hatchets.  
Hoes.  
Jack levers.  
Jacks, ratchet.  
Jacks, screw.  
Jacks, track.  
Kegs, water.  
Ladders.  
Lanterns and fixtures.  
Lawn mowers.  
Levels.  
Lines for ditching.  
Nippers.  
Oilstones.  
Padlocks.  
Pails, water.  
Paint brushes.  
Picks, clay.

Picks, tamping.  
Pike poles.  
Post-hole diggers.  
Post-hole tampers.  
Punches.  
Rail benders.  
Rail tongs.  
Rakes.  
Rope.  
Saws, crosscut.  
Saws, hand.  
Scrap boxes.  
Scythes.  
Shovels.  
Sickles.  
Sledges.  
Spades.  
Spike mauls.  
Spike pullers.  
Spot boards.  
Squares.  
Straightening machines.  
Tape lines.  
Thermometers for laying rail.  
Tongs.  
Tool boxes.  
Torches.  
Track gauges.  
Track levels.  
Vises.  
Weed spuds.  
Wheelbarrows.  
Whetstones.  
Wood mallets.  
Wrenches, monkey.  
Wrenches, track.

(b) *Roadway and track supplies.* The cost of supplies consumed in connection with the operation of roadway machines while used in repairs of roadway and tracks; and cost of supplies used by trackwalkers, track watchmen, and roadway and track repair men.

#### ITEMS OF ROADWAY SUPPLIES

Alcohol for hydraulic jacks.  
Fuel for heating tool and other section houses.  
Fuel for portable forges used in roadway and track work.  
Gasoline for motor cars.  
Oatmeal and ice for drinking water used by roadway and track repair men.  
Oil and waste for hand cars, lever cars, motor inspection cars, and push cars.  
Oil and wicks for lanterns used by trackwalkers, track watchmen, and roadway and track repair men.  
Oil and wicks for lighting tool and other section houses.  
Torpedoes used by trackwalkers, track watchmen, and roadway and track repair men.  
Water for section houses.

§ 10.272 *Removing snow, ice, and sand.* This account shall include the cost of

keeping track and roadway clear of snow, ice, and sand.

It shall include cost of preventing accumulation, such as the cost of distributing, setting up, inspecting, taking down, and regathering portable snow and sand fences; and cost of tools furnished for the purpose; also cost of storing fences.

It shall include cost of removing accumulations of snow, ice, and sand, cost of snow-plow and flanger service, and of work-train service; cost of applying and removing flangers from locomotives and cars, and of slatting pilots; cost of salt to keep switches clear; and cost of meals and lodging for men employed in removal service.

§ 10.273 *Public improvements; maintenance.* (a) This account shall include the portion borne by the carrier of the expense of maintenance of public improvements, whether done by public authority or by the carrier's employees under governmental requirement.

(b) By public improvements are meant improvements for public benefit such as curbing, grading, guttering, and paving of streets, overhead highway bridges, including approaches; drainage, sewer, irrigation, and water systems; flood protection, parks, sidewalks, etc.

For list of items see account 39, "Public improvements—Construction."

**NOTE A:** The expense of repairing paving within the grounds of buildings or other structures shall be charged to the accounts provided for repairs of the structures.

**NOTE B:** Assessments for maintaining public improvements included in the general tax levy for a regular taxing district shall be charged to the appropriate tax account in income.

**NOTE C:** Interest and penalties, based on monthly or annual percentage rates, for failure to pay assessments within the allotted time shall be included in account 547, "Interest on unfunded debt."

§ 10.274 *Injuries to persons.* This account shall include expenses on account of injuries to persons which occur directly in connection with the maintenance of way and structures, including injuries occurring in connection with the operation of work trains in such service, and injuries caused by defective highways within the right of way.

It shall also include expenses on account of injuries to employees incurred while demolishing structures, the maintenance of which would be chargeable to maintenance of way and structures;

services of employees and others called in consultation in connection with claim adjustments; pay and expenses of employees while engaged as witnesses at inquests and lawsuits; and a suitable proportion of donations made to hospitals.

This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

#### ITEMS OF EXPENSE

Artificial limbs.  
Carriage fees.  
Claim adjusters' and clerks' services.  
Claim adjusters' office expenses.  
Compensation for injuries or death.  
Final judgments, including plaintiffs' court costs.  
Funeral expenses.  
Hospital attendance.  
Medical and surgical services.  
Medical and surgical supplies.  
Notarial fees.  
Nursing.  
Railway transportation.  
Undertakers' services.  
Undertakers' supplies.  
Witnesses' fees and expenses at inquests and lawsuits.

**NOTE A:** Expenses incident to personal injury suits, not otherwise provided for, shall be included in account 454, "Law expenses."

**NOTE B:** Amounts donated by a carrier to hospitals shall be distributed, 25 percent to account 274, "Injuries to persons"; 25 percent to account 332, "Injuries to persons"; and 50 percent to accounts 420, "Injuries to persons."

**NOTE C:** The pay, office rent, office expenses, and other expenses of claim adjusters, claim clerks and others in charge of or engaged in connection with claim cases, when not assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged.

§ 10.275 *Insurance.* This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to maintenance of way and structures; also premiums on fidelity bonds of employees whose pay is chargeable to maintenance of way and structures. (See § 10.04—18 *Insurance*.)

**NOTE:** The premiums paid by the carrier to its insurance fund shall be credited to an insurance reserve account, to which account shall be charged the amounts of all claims for injuries to persons and damages to the property covered by its insurance. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies in reimbursement for losses under such reinsurance.

§ 10.276 *Stationery and printing.* This account shall include the cost of stationery and printing used in connection with maintenance of way and structures.

#### STATIONERY AND PRINTING ITEMS

Adding machines.	Manifold pens.
Addressographs and supplies.	Mimeographs.
Arm rests.	Mucilage.
Binders.	Mucilage brushes.
Blank books.	Neostyles.
Blotters.	Note paper.
Blotting paper.	Notices.
Bristol board.	Numbering stamps.
Calculating machines.	Oil paper.
Calendars.	Paper.
Carbon paper.	Paper baskets.
Cardboard.	Paper clips.
Cards, blank and printed.	Paper cutters.
Circulars.	Paper fasteners.
Computing tables.	Paper files.
Copy (impression) books.	Paper weights.
Copying brushes.	Papyrographs.
Copying presses.	Pencil sharpeners.
Crayons.	Pencils for writing and drawing.
Cross-section books.	Penholders.
Cross-section paper.	Penracks.
Cyclostyles.	Pens for writing and drawing.
Dating stamps and ribbons.	Phonographs and records.
Dictaphones.	Pins.
Dictographs.	Postage.
Drawing paper.	Profile books and paper.
Duplicators.	Punches (not conductors' or baggagemen's).
Electric pens.	Rubber bands.
Envelopes.	Rubber stamps.
Erasers, rubber and steel.	Rulers.
Eyelet punches.	Ruling pens.
Eyelets.	Scrapbooks.
File boxes, paper.	Sealing wax.
Forms, blank and printed.	Seals.
Glass pens.	Shears.
Hectographs.	Shipping tags.
Indexes.	Shorthand note-books.
Ink for writing and drawing.	Sponge cups.
Inkstands.	Sponges.
Invoice books.	Stamps, impression.
Legal cap paper.	Stylographs.
Letter paper.	Tablets, blank and printed.
Manifold paper.	Tape.

Telegraph blanks.  
Tissue (impression) paper.  
Tracing cloth.  
Tracing paper.  
Twine.  
Typewriters and ribbons.

Wage tables.  
Wastebaskets.  
Water colors.  
Water holders.  
Wrapping paper.  
Wringers for copying presses.

**NOTE:** The cost of dictionaries, periodicals, technical books, etc., shall be included in the appropriate superintendence accounts.

§ 10.277 *Other expenses.* This account shall include all expenses in connection with maintenance of way and structures not provided for elsewhere.

#### ITEMS OF EXPENSE

Pay and expenses of maintenance of way employees attending conferences with officers in connection with wage disputes.  
Fees paid arbitrators in wage disputes with maintenance of way employees.  
Payments to maintenance of way employees for time absent on account of sickness, when not compensation for personal injuries.  
Gratuities paid to persons for discovering defective rails, etc.

§ 10.278 *Maintaining joint tracks, yards, and other facilities—Dr.* This account shall include the carrier's proportion of the costs incurred by others in maintaining joint tracks, yards, terminals, and other facilities.

**NOTE:** The purpose of this account is to show the amounts accruing against the carrier for its proportion of the cost of maintaining tracks, yards, and other roadway and structure facilities maintained by others and in the joint use of which the carrier participates. (See § 10.04-9 *Joint facility accounts.*)

§ 10.279 *Maintaining joint tracks, yards, and other facilities—Cr.* This account shall include amounts chargeable to others as their proportions of the cost incurred by the carrier in maintaining joint tracks, yards, terminals, and other facilities.

**NOTE:** The purpose of this account is to show the amounts accruing in favor of the carrier and against others for their proportions of the cost of maintaining tracks, yards, and other roadway and structure facilities maintained by the carrier and in the joint use of which others participate. (See § 10.04-9 *Joint facility accounts.*)

§ 10.280 *Equalization; way and structures.* This account shall include adjustments of the differences between the actual and the budgeted or authorized maintenance of way and structures expenses as provided in § 10.04-19 *Equalization of maintenance expenses.* The

amounts included in this account shall concurrently be debited or credited to account 773 1/2, "Equalization reserves."

§ 10.281 *Right-of-way expenses.* This account shall include the cost to the carrier of maintaining structures owned by or exclusively used by others, such costs having been assumed by the carrier in order to acquire or to secure a less restricted use of its right of way.

The structures here referred to are those such as bridges above the carrier's tracks, tunnels, and roadways under the carrier's tracks.

NOTE: The cost of maintaining public improvements is includible in account 273, "Public improvements—Maintenance."

#### MAINTENANCE OF EQUIPMENT

§ 10.300 *Maintenance of equipment.* The primary accounts included in this general account are designed to show the expenses of maintaining the carrier's equipment and the carrier's expense for the repairs of other equipment used in its operations, also the cost of maintaining road property classified as shop and power plant machinery. The repair accounts shall include foreign roads' freight charges for transporting the carrier's equipment to shops for repairs and for transporting such equipment to the carrier's line after repairs have been made. No charge shall be made to these accounts for transporting equipment in the carrier's transportation service trains to shops for repairs or from shops after repairs have been made.

The accounts for maintenance of equipment shall be kept in such manner as to show separately, by primary accounts, the expenses directly assignable to sleeping car operations, dining and buffet service, producing power sold, and other miscellaneous operations.

§ 10.301 *Superintendence.* This account shall include:

(a) *Pay of officers.* The pay of officers directly in charge of or engaged in the maintenance of equipment.

#### LIST OF OFFICERS

Vice president.  
Assistant vice president.  
General superintendent of motive power.  
Assistant general superintendent of motive power.  
Mechanical superintendent.  
Superintendent of motive power.  
Assistant superintendent of motive power.  
Mechanical engineer.

Assistant mechanical engineer.  
Chief chemist.  
General equipment inspector.  
Engineer of tests.  
Supervisor of car department.  
Electrical engineer.  
Assistant electrical engineer.  
Chemist and assistant chemist.  
Master car builder.  
Master mechanic.  
General foreman.  
Chief car inspector.  
Inspector of passenger-train cars.  
General car inspector.  
Traveling boiler inspector.

(b) *Pay of clerks and attendants.* The pay of clerks and other employees in the offices and on business cars of officers whose pay is chargeable to this account.

#### LIST OF EMPLOYEES

Chief motive power clerks.  
Chief clerks.  
Draftsmen.  
Stenographers.  
Motive power clerks.  
Shop clerks.  
Messengers.  
Cooks.  
Porters.

(c) *Office and other expenses.* Office expenses and other expenses of officers and employees whose pay is chargeable to this account, and amounts paid to detective agencies and others for investigations in connection with repairs of equipment.

#### ITEMS OF EXPENSE AND SUPPLIES

Atlases and maps.  
Barometers.  
Books for office use.  
Business car service.  
Drafting instruments.  
Drafting supplies.  
Engineering supplies.  
Fees and dues in technical associations.  
Furniture repairs and renewals.  
Heating.  
Lighting.  
Official train service.  
Periodicals and newspapers.  
Power.  
Provisions for business cars.  
Rent of offices.  
Repair of rented offices.  
Telegraph service.  
Telephone service.  
Traveling expenses.  
Water and ice.

NOTE A: When employees designated above are specifically assigned to construction work, their pay and expenses while thus employed shall be charged to the work upon which engaged. (See paragraph (a) of § 10.01—4 *Cost of construction.*)

**NOTE B:** When officers designated above have supervision over more than one department, their salaries, the pay of their clerks and attendants and their office and other expenses shall be apportioned equitably among the departments over which they have jurisdiction.

**NOTE C:** The cost of stationery purchased for maintenance of equipment offices is chargeable to account 334, "Stationery and printing."

**NOTE D:** The pay of general foremen in small shops, who exercise direct supervision over all departments, unassisted by departmental foremen, shall be apportioned through clearing account "Shop expenses."

**§ 10.302 Shop machinery.** This account shall include the cost of repairing machinery and other apparatus, including special foundations, in shops and enginehouses.

#### LIST OF SHOP MACHINERY

Air compressors.	Milling machines.
Ash conveyors.	Motors.
Belting.	Pipe cutting and
Blowers.	threading ma-
Boilers for furnish-	chines.
ing power.	Planers.
Boring machines.	Pneumatic hammers.
Cars, small motor.	Power machinery,
Cars, push.	where no distinct
Cranes.	power plant is pro-
Drill presses.	vided.
Drilling machines.	Punches.
Drop tables.	Riveters.
Forges.	Saws.
Framing machines.	Shafting.
Furnaces.	Shapers.
Grinding and polish-	Slotters.
ing machines.	Stationary engines.
Hoists.	Steam hammers.
Hydraulic jacks.	Vises.
Lathes.	Welding machines.
Lifting magnets.	Woodworking ma-
Metal chimneys.	chines.

**NOTE A:** The cost of repairing power plant machinery for shop power when located in distinct buildings shall be included in account 304, "Power plant machinery."

**NOTE B:** The cost of repairing boilers used exclusively for heating shall be included in the appropriate repair accounts for buildings.

**NOTE C:** The cost of small tools which are soon worn out, when used by mechanics on miscellaneous work, shall be included in clearing account "Shop expenses," and when used on repairs of equipment shall be included in the appropriate accounts for repairs of equipment.

**NOTE D:** The cost of repairing machinery and tools in shops used exclusively for maintenance of way and structures shall be included in account 229, "Roadway buildings."

**§ 10.304 Power-plant machinery.** This account shall include the cost of repairing machinery and other apparatus in-

cluding special foundations in power plants and substations for generating and transforming power used for the operation of trains and cars or to furnish power, heat, and light for general purposes.

For list of items see account 45, "Power-plant machinery."

**NOTE A:** The cost of repairing power-machinery and apparatus in shop power plants shall be included in account 302, "Shop machinery."

**NOTE B:** The cost of repairing power-machinery and apparatus in stations and offices used primarily for station and office purposes shall be included in account 227, "Station and office buildings."

**NOTE C:** The cost of repairing power-machinery and apparatus in plants used primarily for operating signals and interlockers shall be included in account 249, "Signals and interlockers."

**NOTE D:** The cost of repairing foundations, other than those special to particular machines and other apparatus, shall be included in cost of repairing the building and not in this account.

**NOTE E:** The cost of repairing machinery in distinct plants for furnishing power both for carrier purposes and for sale shall be included in this account. When plants are used solely for generating power for sale the cost of repairs shall be included in account 534, "Expenses of miscellaneous operations."

**§ 10.305 Shop and power-plant machinery; depreciation.** This account shall include the amount of depreciation charges applicable to the accounting period for all classes of property the cost of which is includible in accounts 44, "Shop machinery" and 45, "Power-plant machinery." (See also § 10.04-8 *Depreciation accounting; road property.*)

**§ 10.306 Dismantling retired shop and power-plant machinery.** This account shall include the cost of dismantling retired shop and power-plant machinery and recovering the salvage therefrom.

**§ 10.308 Steam locomotives; repairs.** This account shall include the cost of repairing transportation service steam locomotives and tenders, including all appurtenances, and the cost of small hand tools used in repair work.

This account shall also include the cost of work-train service for the transportation of locomotives without steam to shops for repairs, including the pay and expenses of caretakers, and the pay and expenses of caretakers of locomotives without steam which are hauled in transportation service trains to shops for

repairs; also notarial fees in connection with reports on conditions of locomotives.

**LIST OF APPURTENANCES TO LOCOMOTIVES**

Air-brake equip- ment and hose.	Packing (except for lubricating).
Arm rests.	Pneumatic sanding equipment.
Awnings.	Seat boxes.
Brake fixtures.	Speed recorders.
Cab cushions.	Steam-gauge lamps
Cab lamps.	Steam-heat equip- ment and hose.
Clocks.	Storm doors.
Coal boards.	Tool boxes.
Fire extinguishing apparatus.	Train-signal equip- ment and hose.
Gongs.	
Head lamps.	

**NOTE A:** The cost of inspecting smoke-stacks and ash pans of locomotives in service shall be included in the appropriate engine-house expense accounts.

**NOTE B:** The cost of repairing steam locomotives and tenders of foreign lines, way-billed as freight, and damaged in transit shall be charged to account 418, "Loss and damage—Freight"; and the cost of repairing steam locomotives and tenders of foreign lines having trackage rights over the carrier's line, damaged by collision, wreck, or other cause, for which the carrier is liable, shall be charged to account 416, "Damage to property."

**NOTE C:** The cost of running locomotives under steam to shops for repairs in connection with transportation service shall be included in the cost of the service in connection with which the movement occurs.

**NOTE D:** The cost of repairing steam locomotives used solely in work service in connection with operations shall be included in account 326, "Work equipment—Repairs." The cost of repairing locomotives on account of construction work shall be included in the cost of the work. (See paragraph (c) of § 10.01-4 *Cost of construction*.)

**§ 10.311 Other locomotives; repairs.**

This account shall include the cost of repairs of transportation service locomotives other than steam locomotives, analogous to those set forth for steam locomotives in account 308 "Steam locomotives—Repairs."

**§ 10.314 Freight-train cars; repairs.**

This account shall include the cost of repairing freight-train cars and appurtenances, and the cost of repairing motor equipment affixed to freight-train cars engaged in transportation service; also cost of small hand tools used in repairs. This account shall also include the net loss sustained on account of the destruction of foreign freight cars in the carrier's transportation service and amounts paid to others for repairs of freight cars for which the carrier is liable.

**LIST OF FREIGHT-TRAIN CARS**

Ballast (commercial).	Lime.
Beer.	Logging.
Box.	Oil tank.
Cabin.	Ore.
Caboose.	Platform.
Charcoal.	Poling.
Coal.	Poultry.
Coke.	Produce.
Dump (commercial).	Rack.
Flat.	Refrigerator.
Fruit.	Stock.
Furniture.	Tank (in commercial service).
Gondola.	Water (in commercial service).
Gondola (hopper).	Work (in commercial service).
Gondola (long).	
Gun truck.	
Hay.	

**LIST OF APPURTENANCES TO FREIGHT-TRAIN CARS**

Air-brake equipment, including hose.
Cooking equipment and utensils.
Cushions.
Heating equipment.
Ice boxes.
Lamps and fixtures.
Seats.
Speed recorders.
Train-signal equipment, including hose.
Water tanks.

**NOTE A.** The cost of candles, wicks, lamp chimneys, globes, and shades for oil or other lamps in freight-train cars shall be charged to account 402, "Train supplies and expenses."

**NOTE B.** The cost of repairing freight-train cars of foreign lines waybilled as freight and damaged in transit shall be charged to account 418, "Loss and damage—Freight"; and the cost of repairing freight-train cars of foreign lines having trackage rights over the carrier's line, when damaged by collision, wreck, or other cause, for which the carrier is liable, shall be charged to account 416, "Damage to property."

**§ 10.317 Passenger-train cars; repairs.** This account shall include the cost of repairing passenger-train cars and appurtenances and the cost of repairing motor equipment affixed to passenger-train cars used in transportation service; small hand tools used in repairs, the net loss sustained on account of the destruction of foreign passenger-train cars in the carrier's transportation service, and amounts paid others for repairs of passenger-train cars for which the carrier is liable.

**LIST OF PASSENGER-TRAIN CARS**

Baggage.	Buffet.
Baggage-express.	Café.
Baggage-mail.	Chair.
Baggage - mail - express.	Club.
	Colonist.

**Combination passenger and baggage.**

Dining.  
Express.  
Immigrant.  
Library.  
Mail.  
Milk.  
Observation.  
Parlor.

**Parlor-baggage.**

Passenger.  
Passenger-baggage.  
Passenger - baggage-mail.  
Postal.  
Refrigerator-express.  
Sleeping.  
Smoking.  
Tourist.

**LIST OF APPURTENANCES TO PASSENGER-TRAIN CARS**

<p>Air-brake equipment, including hose. Bedding. Chairs. Coat hooks. Curtains and fixtures. Cushions. Electric bells. Floor coverings. Heating equipment and steam-heat hose. Ice boxes. Ice tanks. Kitchen equipment and utensils.</p>	<p>Lighting equipment. Mail catchers. Parcel racks. Ranges and boilers. Seats. Speed recorders. Steam heat hose. Table china. Table glassware. Table linen. Table silver. Toilet equipment. Train-signal equipment, including hose. Water tanks.</p>
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**NOTE A:** The cost of candles, wicks, and lamp chimneys, and of globes and shades for electric and other lights in passenger-train cars shall be charged to account 402, "Train supplies and expenses."

**NOTE B:** The cost of repairing passenger-train cars of foreign lines, which are way-billed as freight and have been damaged in transit, shall be charged to account 418, "Loss and damage—Freight," and the cost of repairing passenger-train cars of foreign lines having trackage rights over the carrier's line, when damaged by collision, wreck, or otherwise, for which the carrier is liable, shall be charged to account 416, "Damage to property."

§ 10.323 *Floating equipment; repairs.* This account shall include the cost of repairing floating equipment (other than work equipment), including appurtenances, and cost of small hand tools used in repairs.

The pay and expenses of captains and engineers and of boat employees, while engaged on maintenance of floating equipment, shall be included in this account.

**LIST OF FLOATING EQUIPMENT**

<p>Barges. Canal boats. Car and other floats Ferryboats. Lighters. Power launches.</p>	<p>Power lighters. Scows. Steamboats. Steamships. Transfer boats. Tugboats.</p>
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**LIST OF APPURTENANCES, TOOL EQUIPMENT, AND FURNITURE**

<p>Anchors. Axes. Barometers. Beds and bedding. Binnacle lamps. Blocks and tackle. Boilers and foundations. Cables. Capstan bars. Carpets. Charts. China, crockery, and glassware. Chronometers. Clocks. Compasses. Counters. Desks. Engines and foundations. Fire buckets. Fire extinguishers. Floor coverings. Flue cleaners. Furniture. Gangplanks. Hatchets. Heating equipment. Hoisting equipment. Hooks. Keys. Kitchen equipment. Life preservers. Lighting equipment. Linen.</p>	<p>Lines. Logs. <b>Machinery and foundations.</b> Masts. Office furniture. Oil cans. Pianos and other musical instruments. Pumps. Racks. Railings. Rakes. Rigging. Safes. Sails. Scales. Seats, chairs, and cushions. Shovels. Slice bars and pokers. Spyglasses. Steam distribution systems. Steering equipment Telescopes. Ticket cases. Tool boxes. Tools, miscellaneous. Tracks on car floats. Ventilating equipment. Wrenches.</p>
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§ 10.326 *Work equipment; repairs.* This account shall include the cost of repairing rail and floating work equipment, including appurtenances, and cost of small hand tools used in repairs.

The cost of fitting up commercial cars for work service in connection with maintenance and operation; the cost of refitting them for commercial service; the cost of repairs to locomotives while in service for repairs of road and equipment; and the cost of repairs to foreign cars damaged while in such service shall be included in this account; also amounts paid in settlement for such cars destroyed in such service.

**LIST OF WORK EQUIPMENT—RAIL**

<p>Air-brake instruction cars. Ballast cars. Ballast unloader cars. Boarding cars. Bridge cars. Business cars. Camp cars. Cinder cars.</p>	<p>Concrete mixers (mounted). Derrick cars. Dirt spreaders (mounted). Ditching cars. Dump cars. Dynamometer cars. Gas-tank cars.</p>
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Grading cars.  
Gravel cars.  
Indicator cars.  
Locomotive tanks  
used as water cars.  
Locomotives.  
Officers' cars.  
Outfit cars.  
Painters' cars.  
Pay cars.  
Pile drivers (mounted).  
Rail saws (mounted).  
Salt cars.  
Sanding cars.  
Scale test cars.  
Scraper cars.  
Snow dozers.

Snow drags.  
Snow plows (not  
attached to but  
moved by locomotives).  
Sprinkling cars.  
Steam shovels.  
Steam wrecking derricks.  
Supply cars.  
Sweeper cars.  
Tool and block cars.  
Tool cars.  
Water cars.  
Weed burners  
(mounted).  
Wrecking cars.

#### APPURTENANCES TO WORK EQUIPMENT—RAIL

<p>Air-brake equipment. Beds and bedding. Blocking. Blocks and tackle. Boilers on cars. Bunks, seats, and chairs. Chains. China, crockery, and glassware. Cushions. Engines on cars. Flue cleaners. Hatchets. Heating equipment. Hooks.</p>	<p>Jacks. Kitchen utensils. Lighting equipment. Linen. Lines. Machinery on cars. Oil cans. Rakes. Ranges. Shovels. Slice bars and pokers. Tool boxes. Tools, miscellaneous. Train-signal equipment. Wrecking trucks. Wrenches.</p>
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#### LIST OF WORK EQUIPMENT—FLOATING

<p>Derricks. Dredges.</p>	<p>Pile drivers.</p>
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#### APPURTENANCES TO WORK EQUIPMENT—FLOATING

<p>Anchors. Axes. Barometers. Beds and bedding. Blocks and tackle. Boilers and foundations. Cables. China, crockery, and glassware. Compasses. Cushions. Desks. Engines and foundations. Fire extinguishers. Fire buckets. Floor coverings. Flue cleaners. Gangplanks. Hatchets. Heating equipment. Hoisting equipment.</p>	<p>Hooks. Keys. Life preservers. Lighting equipment. Linen. Lines. Machinery and foundations. Masts. Oil cans. Pumps. Rakes. Rigging. Sails. Seats and chairs. Shovels. Slice bars and pokers. Steam distribution systems. Steering equipment. Tool boxes. Tools, miscellaneous. Wrenches.</p>
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NOTE: The cost of repairs to work equipment on account of construction work shall

be included in the cost of the construction work on which it is used. (See paragraph (c) of § 10.01-4 *Cost of construction*.)

§ 10.328 *Miscellaneous equipment; repairs.* This account shall include the cost of repairing miscellaneous equipment, such as wagons, automobiles, and other highway vehicles, and harness.

§ 10.329 *Dismantling retired equipment.* This account shall include the cost of tearing down retired equipment and recovering the salvage therefrom.

§ 10.330 *Retirements; equipment.* This account shall include the proportion of the service value of equipment retired carried in account 726, "Property retired chargeable to operating expenses," which by specific authority of this Commission shall be charged to operating expenses in the period. (See paragraph (f) of § 10.04-24 *Depreciation accounting; equipment*.)

When equipment previously subject to amortization accounting under section 124, "Amortization deductions," of the Internal Revenue Code is retired, the difference between the service value (ledger value less value of salvage and insurance recovered) thereof and the balance in account 702½F, "Accrued amortization of defense projects—Equipment," with respect to the specific equipment retired, after appropriate adjustment for any depreciation accrued thereon, shall be included in this account.

This account shall also be charged with such amounts as are concurrently credited to accounts 72 to 77, inclusive, in accounting for the retirement of equipment.

§ 10.331 *Equipment; depreciation.* This account shall include the amount of depreciation charges applicable to the accounting period for all classes of equipment the ledger value of which is includible in accounts 51 to 54 and 56 to 58, all inclusive. (See also § 10.04-24 *Depreciation accounting; equipment*.)

§ 10.332 *Injuries to persons.* This account shall include expenses on account of injuries to persons which occur directly in connection with repairs of equipment.

Services of employees and others called in consultation in relation to claim adjustments, pay and expenses of employees while engaged as witnesses at inquests and lawsuits, and a suitable proportion of donations made to hospitals shall be included in this account.

This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

#### ITEMS OF EXPENSE

Artificial limbs.  
Carriage fees.  
Claim adjusters' and clerks' services.  
Claim adjusters' office expenses.  
Compensation for injuries or death.  
Final judgments, including plaintiffs' court costs.  
Funeral expenses.  
Hospital attendance.  
Medical and surgical services.  
Medical and surgical supplies.  
Notarial fees.  
Nursing.  
Railway transportation.  
Undertakers' services.  
Undertakers' supplies.  
Witnesses' fees and expenses at inquests and lawsuits.

**NOTE A:** Expenses incident to personal injury suits, not otherwise provided for, shall be included in account 454, "Law expenses."

**NOTE B:** Amounts donated by a carrier to hospitals shall be distributed, 25 percent to account 274, "Injuries to persons"; 25 percent to account 332, "Injuries to persons"; and 50 percent to account 420, "Injuries to persons."

**NOTE C:** The pay, office rent, and office and other expenses of claim adjusters, claim clerks, and others in charge of or engaged in connection with claim cases, when not assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged.

§ 10.333 *Insurance.* This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss, through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to maintenance of equipment; also premiums on fidelity bonds of employees whose pay is chargeable to maintenance of equipment (See § 10.04-18 *Insurance.*)

**NOTE:** The premiums paid by the carrier to its insurance fund shall be credited to an insurance reserve account, to which account shall be charged the amount of all claims for injuries to persons and damages to the property covered by its insurance. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered

from insurance companies for damage to the property reinsured by them.

§ 10.334 *Stationery and printing.* This account shall include the cost of stationery and printing used in connection with maintenance of equipment.

#### STATIONERY AND PRINTING ITEMS

Adding machines.	Oil paper.
Addressographs and supplies.	Paper.
Arm rests.	Paper baskets.
Binders.	Paper clips.
Blank books.	Paper cutters.
Blotters.	Paper fasteners.
Blotting paper.	Paper files.
Bristol board.	Paper weights.
Calculating machines.	Papyrographs.
Calendars.	Parchment paper.
Carbon paper.	Pencil sharpeners.
Cardboard.	Pencils for writing and drawing.
Cards, blank and printed.	Penholders.
Circulars.	Penracks.
Computing tables.	Pens for writing and drawing.
Copy (impression) books.	Phonographs and records.
Copying brushes.	Pins.
Copying presses.	Postage.
Crayons.	Punches (not conductor's or baggagemen's).
Cyclostyles.	Rubber bands.
Dating stamps and ribbons.	Rubber stamps.
Dictaphones.	Rulers.
Dictographs.	Ruling pens.
Drawing paper.	Scrapbooks.
Duplicators.	Sealing wax.
Electric pens.	Seals.
Envelopes.	Shears.
Erasers, rubber and steel.	Shipping tags.
Eyelet punches.	Shorthand notebooks.
Eyelets.	Sponge cups.
File boxes, paper.	Sponges.
Forms, blank and printed.	Stamps, impression.
Glass pens.	Stylographs.
Hectographs.	Tablets, blank and printed.
Indexes.	Tape.
Ink for writing and drawing.	Telegraph blanks.
Inkstands.	Tissue (impression) paper.
Invoice books.	Tracing cloth.
Legal cap paper.	Tracing paper.
Letter paper.	Twine.
Manifold paper.	Typewriters and ribbons.
Manifold pens.	Wage tables.
Mimeographs.	Wastebaskets.
Mucilage.	Water colors.
Mucilage brushes.	Water holders.
Neostyles.	Wrapping paper.
Note paper.	Wringers for copying presses.
Notices.	
Numbering stamps.	

**NOTE:** The cost of dictionaries, periodicals, technical books, etc., shall be included in the appropriate superintendence accounts.

§ 10.335 *Other expenses.* This account shall include expenses in connection with the maintenance of equipment not properly chargeable to other accounts for maintenance of equipment or to clearing accounts such as "Material store expenses" and "Shop expenses."

#### ITEMS OF EXPENSE

Pay and expenses of mechanical department employees attending conferences with officers in connection with mechanical department wage disputes.  
Fees paid arbitrators in connection with mechanical department wage disputes.  
Payments to mechanical department employees for time absent on account of sickness when not in compensation for personal injuries.

§ 10.336 *Joint maintenance of equipment expenses—Dr.* This account shall include the carrier's proportion of expenses incurred by others in maintaining equipment used in the operation of joint facilities, including the carrier's proportion of the expenses of repairing such equipment damaged by accidents when such expenses are participated in by more than one carrier. It shall also include the carrier's proportion of expenses incurred by others in maintaining joint shop machinery and power-plant machinery.

**NOTE:** The purpose of this account is to show the amount accruing against the carrier for its proportion of the expense of maintaining equipment, shop machinery, and power-plant machinery, which is maintained by others and in the joint use of which the carrier participates.

§ 10.337 *Joint maintenance of equipment expenses—Cr.* This account shall include the amount chargeable to others as their proportion of expenses incurred by the carrier in maintaining equipment used in the operation of joint facilities, and for expenses of repairing equipment damaged by accidents, when such expenses are participated in by more than one carrier. It shall also include amounts chargeable to others as their proportions of the expenses incurred by the carrier in maintaining joint shop machinery and power-plant machinery.

**NOTE:** The purpose of this account is to show the amounts accruing in favor of the carrier due from others for their proportions of the expense of maintaining equipment, shop machinery, and power-plant machinery, which is maintained by the carrier and in the joint use of which others participate.

§ 10.338 *Equalization; equipment.* This account shall include adjustments of the differences between the actual and the budgeted or authorized maintenance of equipment expenses as provided in § 10.04-19 *Equalization of maintenance expenses.* The amounts included in this account shall concurrently be debited or credited to account 773½, "Equalization reserves."

§ 10.339 *Deferred maintenance; equipment.* This account shall include the estimated cost of repairs to equipment which cannot be made during the current year due to priorities for materials and supplies or shortage of labor.

This account shall be credited with amounts cleared from account 774, "Maintenance reserves," in accordance with the text of that account. (See § 10.04-25 *Deferred maintenance, and major repairs to equipment.*)

**NOTE:** Estimated costs of heavy or extraordinary repairs to equipment that are usually made at intervals of several years shall be charged to account 340, "Major repairs—Equipment."

§ 10.340 *Major repairs; equipment.* This account shall be charged with the estimated cost of anticipated major repairs to equipment that are usually made at intervals of several years.

This account shall be credited with amounts cleared from account 774, "Maintenance reserves," in accordance with the text of that account. (See § 10.04-25 *Deferred maintenance, and major repairs to equipment.*)

#### TRAFFIC

§ 10.350 *Traffic.* The primary accounts included in this general account are designed to show the expenses incurred for advertising, soliciting, and securing traffic for the carrier's lines and for preparing and distributing tariffs governing such traffic.

§ 10.351 *Superintendence.* This account shall include:

(a) *Pay of officers.* The pay of officers directly in charge of or engaged in supervising the procurement of traffic, and the preparation and distribution of tariffs, division sheets, and classifications.

#### LIST OF OFFICERS

Vice president.  
Assistant to vice president.  
Traffic director.  
Traffic manager.

General freight agent.  
 Assistant general freight agent.  
 Chief of tariff bureau.  
 Traveling tariff inspector.  
 Live stock agent.  
 General passenger agent.  
 Assistant general passenger agent.  
 Division passenger agent.  
 Division freight agent.  
 General baggage agent.  
 General express agent.  
 General express manager.  
 Coal traffic agent.

(b) *Pay of clerks and attendants.* The pay of clerks and other employees in the offices and on business cars of officers whose pay is chargeable to this account.

#### LIST OF EMPLOYEES

Chief clerk.	Messengers.
Clerks.	Cooks.
File clerks.	Porters.
Stenographers.	Attendants.

(c) *Office and other expenses.* Office expenses and other expenses of officers and employees whose pay is chargeable to this account.

#### ITEMS OF EXPENSE AND SUPPLIES

Atlases and maps.	Official train service.
Barometers.	Periodicals and newspapers.
Bicycles.	Power.
Books for office use.	Provisions for business cars.
Business car service.	Rent for offices.
Express charges.	Repairs of rented offices.
Fees and dues in commercial and other clubs.	Telegraph service.
Furniture repairs and renewals.	Telephone service.
Heating.	Traveling expenses.
Lighting.	Water and ice.

**NOTE A:** When officers designated above have supervision over more than one department, their salaries, the pay of their clerks and attendants, and their office and other expenses shall be apportioned equitably among the departments over which they have jurisdiction.

**NOTE B:** The pay and expenses of officers engaged exclusively in soliciting traffic are chargeable to account 352, "Outside agencies."

**NOTE C:** The cost of stationery for traffic offices is chargeable to account 358, "Stationery and printing," except stationery chargeable to accounts 354, 355, and 356.

§ 10.352 *Outside agencies.* This account shall include the pay, and the office, traveling, and other expenses of general, commercial, city, and district agents and others soliciting traffic, the employees of their offices, and traveling agents and solicitors located on or off the line of the carrier's road.

City ticket and freight offices, separate from regular station ticket and freight offices, shall be treated as outside agencies; the pay and expenses of the employees therein and the expenses of such offices shall be charged to this account.

Commissions for services pertaining to either freight or passenger business, except commissions paid in lieu of salaries to carrier's agents located upon the carrier's own line (which shall be charged to account 373, "Station employees"), shall be included in this account.

#### ITEMS OF EXPENSE

Bicycles.  
 Books for office use.  
 Express charges.  
 Furniture repairs and renewals.  
 Heating.  
 Lighting.  
 Membership fees and dues in agency associations.  
 Membership fees and dues in commercial clubs.  
 Office supplies.  
 Periodicals and newspapers.  
 Rent of offices.  
 Repairs of rented offices.  
 Telegraph service.  
 Telephone service.  
 Traveling expenses.  
 Water and ice.

§ 10.353 *Advertising.* This account shall include the cost of advertising for the purpose of securing traffic; pay of advertising agents, their clerks and attendants; rent of offices, and the office, traveling, and other expenses of such employees; also donations to carnivals, local development associations, summer schools, and other gatherings, when made for the purpose of increasing traffic.

#### ITEMS OF ADVERTISING EXPENSE

Advertisements in newspapers.  
 Advertisements in periodicals.  
 Bulletin boards and cards.  
 Card cases.  
 Customs charges on advertising matter.  
 Display and other advertising cards.  
 Distributing folders.  
 Distributing general notices to shippers.  
 Distributing time-tables.  
 Dodgers.  
 Express charges.  
 Frames.  
 Handbills.  
 Maps used for advertising.  
 Pamphlets.  
 Photographs and views.  
 Postage.  
 Posters.

Publishing advertising matter.  
Publishing folders.  
Publishing notices to shippers.  
Publishing time-tables.  
Racks.

**NOTE:** Advertising expenses of industrial and immigration bureaus shall be included in account 356, "Industrial and immigration bureaus."

**§ 10.354 Traffic associations.** This account shall include the cost to the carrier of participation in traffic associations, including its proportion of the pay of officers and employees of such associations and of their office, stationery and printing, traveling, and other expenses.

#### LIST OF TRAFFIC ASSOCIATIONS

Boards of trade.  
Classification bureaus.  
Clergy bureaus.  
Commercial associations.  
Freight associations.  
Mileage ticket bureaus.  
Passenger associations.  
Tariff bureaus.  
Ticket validating agencies.

**§ 10.355 Fast freight lines.** This account shall include the cost to the carrier of participation in fast freight or dispatch organizations, including its proportion of the pay of officers, soliciting agents, and employees of such organizations, and their office, stationery and printing, traveling, and other expenses.

**§ 10.356 Industrial and immigration bureaus.** This account shall include the cost to the carrier of industrial and immigration bureaus, including the pay of industrial and immigration agents, and exhibit agents, their clerks and attendants and their office, stationery and printing, traveling, and other expenses.

#### ITEMS OF EXPENSE

Advertising.	Exhibits.
Agricultural trains.	Experimental farms.
Dairy trains.	Good roads trains.
Donations to expositions.	Premiums to fairs.
Donations to fairs.	Premiums to stock shows.
Donations to stock shows.	

**§ 10.357 Insurance.** This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to Traf-

fic; also premiums on fidelity bonds of employees whose pay is chargeable to Traffic. (See § 10.04-18 Insurance.)

**NOTE:** The premiums paid by the carrier to its insurance fund shall be credited to an insurance reserve account, to which account the amount of all claims for injuries to persons and damages to the property covered by its insurance shall be charged. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies for damage to the property reinsured by them.

**§ 10.358 Stationery and printing.** This account shall include the cost of stationery and printing used in connection with securing traffic, including the cost of tariffs governing such traffic.

#### STATIONERY AND PRINTING ITEMS

Adding machines.	Inkstands.
Arm rests.	Invoice books.
Binders.	Legal cap paper.
Blank books.	Letter paper.
Blotters.	Manifold paper.
Blotting paper.	Manifold pens.
Bristol board.	Mimeographs.
Calculating machines.	Mucilage.
Calendars.	Mucilage brushes.
Carbon paper.	Neostyles.
Cardboard.	Note paper.
Cards, blank and printed.	Notices.
Circulars.	Numbering stamps.
Classifications.	Oil paper.
Computing tables.	Paper.
Copy (impression) books.	Paper baskets.
Copying brushes.	Paper clips.
Copying presses.	Paper cutters.
Crayons.	Paper fasteners.
Cyclostyles.	Paper files.
Dating stamps and ribbons.	Paper weights.
Dictaphones.	Papyrographs.
Dictographs.	Pencil sharpeners.
Division sheets.	Pencils for writing and drawing.
Duplicators.	Penholders.
Electric pens.	Penracks.
Envelopes.	Pens for writing and drawing.
Erasers, rubber and steel.	Phonographs and records.
Eyelet punches.	Pins.
Eyelets.	Postage.
File boxes, paper.	Punches (not conductors' or baggagemen's).
Flexotype machines.	Rate sheets.
Forms, blank and printed.	Rubber bands.
Freight classifications.	Rubber stamps.
Glass pens.	Rulers.
Hectographs.	Ruling pens.
Indexes.	Scrapbooks.
Ink for writing and drawing.	Sealing wax.
	Seals.
	Shears.
	Shipping tags.

Shorthand note books.	Tissue (impression) paper.
Sponge cups.	Typewriters and ribbons.
Sponges.	Wage tables.
Stamps, impression.	Wastebaskets.
Stylographs.	Water colors.
Tablets, blank and printed.	Water holders.
Tape.	Wrapping paper.
Tariffs, printed.	Wringers for copying presses.
Telegraph blanks.	

**NOTE A:** The cost of dictionaries, periodicals, technical books, etc., shall be included in the appropriate superintendence accounts.

**NOTE B:** The cost of stationery and printing used by traffic associations, fast freight lines, and industrial and immigration bureaus shall be included in the accounts provided for the expenses of such organizations.

**§ 10.359 Other expenses.** This account shall include all expenses in connection with traffic not properly chargeable to other traffic accounts.

#### TRANSPORTATION

**§ 10.370 Transportation; rail line.** The primary accounts included in this general account are designed to show expenses incurred for transporting persons and the property of others, including the expenses of station, train, yard, and terminal service; also the expense of transporting company material in transportation service trains.

**§ 10.371 Superintendence.** This account shall include:

(a) *Pay of officers.* The pay of officers directly in charge of or engaged in conducting transportation.

#### LIST OF OFFICERS

Vice president.  
 Assistant to the vice president.  
 General manager.  
 Assistant general manager.  
 General superintendent of transportation.  
 Superintendent of transportation.  
 General superintendent.  
 Assistant general superintendent.  
 Superintendent.  
 Division superintendent.  
 Assistant division superintendent.  
 Superintendent of car service.  
 Chief special agent.  
 Members of examining boards.  
 Superintendent of mail service.  
 Traveling train and station inspectors.  
 Air-brake instructor.  
 Superintendent of agencies.  
 Superintendent of transfer stations.  
 Trainmaster.  
 Assistant trainmaster.  
 General road foreman of locomotives.  
 Road foreman of locomotives.  
 Traveling locomotive engineer.  
 Traveling locomotive fireman.

(b) *Pay of clerks and attendants.* The pay of clerks and others employed in the offices and on business cars of officers whose pay is chargeable to this account.

#### LIST OF EMPLOYEES

Division clerk.	Stenographers.
Chief clerk.	Messengers.
Clerks.	Cooks.
Special agents.	Porters.
Detectives.	

(c) *Office and other expenses.* Office expenses and other expenses of officers and employees whose pay is chargeable to this account; also the pay and expenses of employees attending investigations concerning the cause of or responsibility for accidents, and amounts paid detective agencies and others for work in connection with such investigations.

#### ITEMS OF EXPENSE AND SUPPLIES

Atlases and maps.	Power.
Barometers.	Provisions for business cars.
Books for office use.	Rent of air-brake instruction cars.
Business car service.	Rent of offices.
Express charges.	Repairs of rented offices.
Fees and dues in associations.	Telegraph service.
Furniture repairs and renewals.	Telephone service.
Heating.	Traveling expenses.
Lighting.	Water and ice.
Official train service.	
Periodicals and newspapers.	

**NOTE A:** When officers designated above have supervision over more than one department, their salaries, the pay of their clerks and attendants, and their office and other expenses shall be apportioned equitably among the departments over which they have jurisdiction.

**NOTE B:** The cost of stationery purchased for transportation offices is chargeable to account 410, "Stationery and printing."

**§ 10.372 Dispatching trains.** This account shall include the pay of chief and other train dispatchers, their clerks, copying operators, and attendants, and pay of operators on the line whose duties are confined to directing train movements; also the office, traveling, and other expenses of such employees.

**NOTE:** Pay of operators who also perform station work shall be charged to account 373, "Station employees."

**§ 10.373 Station employees.** This account shall include:

(a) *Agents, clerks, and attendants.* The pay of agents, clerks, and attendants in charge of, or engaged in, the operation of stations, stockyards, wharves, and

piers located on the carrier's line; also payments to such station or ticket agents in lieu of salaries.

Special payments to customs inspectors on account of opening and resealing cars under unusual conditions, and payments to produce-exchange inspectors for inspecting, measuring, and weighing grain shall be here included.

#### LIST OF EMPLOYEES

Accountants.	Messengers.
Assistant agents.	Package and parcel
Assistant depot masters.	room employees.
Assistant station masters.	Policemen.
Baggage agents at stations.	Porters.
Baggagemen.	Relief agents.
Car clerks.	Station agents.
Cashiers.	Station foremen.
Chauffeurs.	Station passenger agents.
Clerks.	Station freight agents.
Collectors.	Stationmasters.
Customs inspectors.	Stockyards superintendents and foremen.
Depot masters.	Telegraph and telephone operators.
Detectives.	Ticket agents.
Express agents.	Ticket collectors.
Gatemen.	Ticket examiners.
Information bureau employees.	Train callers.
Janitors.	Ushers.
Maids.	Watchmen.
Matrons.	

(b) *Labor at stations.* Station and other labor expended in handling freight, mail, baggage, and express at stations, wharves, and piers; in loading, unloading, feeding, watering, bedding, shearing, dipping, inspecting, and otherwise caring for stock; in disinfecting stations, stockyards, and stock pens; in transferring, picking up, straightening, and re-loading freight in the ordinary course of transportation; in miscellaneous station work, including (when done by station employees) cleaning station grounds, station platforms, walks, stockyards, and stock pens, and removing snow and ice therefrom; and in tending switch lamps not in yards and terminals.

Payments to elevator companies (when not made as division of rate) for transferring grain en route, and payments to other companies and individuals for loading and unloading commercial freight under contract or otherwise shall be included in this account.

#### LIST OF EMPLOYEES

Baggage storeroom employees.	Coal handlers.
Car sealers.	Coopers.
Checkmen.	Delivery men.
	Electricians.

Freight callers.  
Freight handlers.  
Freight house foremen.  
Freight loaders.  
Freight unloaders.  
Longshoremen.  
Mail carriers.  
Mail weighers.  
Station cleaners.

Stationary engineers.  
Stationary firemen.  
Stevedores.  
Stock-pen laborers.  
Stockyard laborers.  
Tallymen.  
Teamsters.  
Truckmen.  
Warehousemen.  
Weighmasters.

**NOTE A:** The cost of transferring freight, mail, baggage, and express on account of wrecks shall be included in account 415, "Clearing wrecks."

**NOTE B:** This account shall not include the pay of telegraph and telephone operators provided for under accounts 372, "Dispatching trains," and 407, "Communication system operation," or pay of employees provided for under account 375, "Coal and ore wharves."

**§ 10.374 Weighing, inspection, and demurrage bureaus.** This account shall include the cost to the carrier of its participation in joint weighing, inspection, demurrage, and car distribution bureaus and associations.

**§ 10.375 Coal and ore wharves.** This account shall include cost of operating docks, and wharves, piers, and other marine, lake, or river landings, and the machinery located thereon, used in connection with the transportation of coal and ore.

(a) *Labor and expenses.* The pay and the office, traveling, and other expenses of employees engaged in operating coal and ore wharves.

(b) *Tools and supplies.* The cost of all tools and supplies used in the operation of coal and ore wharves.

#### ITEMS OF TOOLS AND SUPPLIES

Cylinder oil.	Lubricating oil.
Fuel for stationary boilers.	Picks.
Illuminating oil.	Shovels.
Lantern parts.	Slide bars.
Lanterns.	Waste.
	Wicks.

**NOTE:** The cost of switching service in connection with coal and ore wharves shall not be included in this account.

**§ 10.376 Station supplies and expenses.** This account shall include:

(a) *Heating.* The cost of fuel (including cost of unloading), water, steam, and miscellaneous supplies used for heating stations, waiting rooms, freight and passenger offices, stockyards and other station buildings.

(b) *Lighting.* The cost of fuel, water, gas, oil, electricity, lamp globes, lamp chimneys, wicks, lamp carbons, incan-

descent lamps, and miscellaneous supplies used in lighting stations, waiting rooms, freight and passenger offices, stockyards, other station buildings, street approaches thereto, and passenger foot-bridges and subways at stations.

(c) *Other expenses.* The cost of miscellaneous station supplies and station expenses, including those for stockyards.

#### ITEMS OF EXPENSE

Cleaning privy vaults.  
Express charges.  
Feeding and shoeing horses.  
Furniture repairs and renewals.  
Garage expenses.  
Licenses for ticket agents.  
Mail transfer by others than employees.  
Membership fees and dues in agents' associations.  
Power for station machinery.  
Rent of automatic weighing and recording devices.  
Rent of scales.  
Rent of station buildings (not jointly used).  
Reports to agents of commercial standing.  
Sprinkling station grounds.  
Station employees' expenses.  
Supplies used in feeding, watering, bedding, shearing, dipping, inspecting, and otherwise caring for livestock.  
Telegraph service.  
Telephone service.  
Warehouse charges for storage of freight.  
Washing towels.

#### ITEMS OF TOOLS AND SUPPLIES

Atlases and maps.	Copy-press stands.
Auto trucks.	Counter brushes.
Awnings.	Counter scales.
Axes.	Cups.
Badges.	Curtains.
Baggage checks.	Cuspidors.
Barometers.	Desks.
Baskets.	Dippers.
Bicycles.	Directories.
Blocking.	Dusters.
Brooms.	Electric fans.
Brushes.	Electric lamps.
Buckets.	Electric-light supplies.
Bulletin boards.	Feather dusters.
Call bells.	Feed for horses.
Candles.	Files, document.
Car-seal presses.	Fire buckets.
Car seals.	Fire grenades.
Carpets.	Flags.
Chains.	Floor coverings.
Chair cushions.	Gangplanks.
Chairs.	Gas.
Chalk.	Gasoline.
Chamois skins.	Hampers.
Check boxes.	Hatchets.
Check racks.	Hoes.
Checks.	Hooks.
Clocks.	Hose and couplings.
Coal hods.	Ice.
Cold chisels.	Ice barrels.
Cooperage material.	

Ice boxes.	Saws.
Ice buckets.	Scoops.
Ice carts.	Scales, portable.
Ice tongs.	Scrubbing brushes.
Keys.	Settees.
Ladders.	Shovels.
Lamp burners.	Sledges.
Lamp chimneys.	Soap.
Lamp fittings.	Spades.
Lamp globes.	Sponges.
Lamp mantles.	Sprinkling cans.
Lampblack.	Stools.
Lamps (not permanently attached to buildings).	Stove blacking.
Lantern fittings.	Stoves and stove-pipe.
Lantern globes.	Switch lamp supplies at points where regular switching service is not maintained.
Lanterns.	Tables.
Letter boxes.	Tacks.
Mail bags.	Tarpaulins (not for cars).
Marking brushes.	Thermometers.
Marking pots.	Ticket cases.
Marline.	Tongs.
Matches.	Tool boxes.
Measures.	Torpedoes.
Medical boxes.	Towels.
Medical supplies.	Trucks.
Mirrors.	Twine.
Money drawers.	Uniforms.
Nails for boxing.	Washbasins.
Newspapers.	Waste.
Oil.	Water.
Oil cans.	Water barrels.
Packing material.	Water bowls.
Padlocks.	Water cans.
Pails.	Water coolers.
Pinch bars.	Water pails.
Punches for baggage men and gatemen.	Wheelbarrows.
Rakes.	Whisk brooms.
Reflectors.	Wicks.
Rolling chairs for invalids.	Wrenches.
Safes.	
Sawdust.	

#### § 10.377 *Yardmasters and yard clerks.*

This account shall include the pay of general yardmaster, yardmaster, assistant yardmaster, general yard foreman, and yard clerks and attendants in yards where regular switching service is maintained and in terminal switching and transfer service, including employees engaged in calling yardmen and trainmen; also pay of policemen, watchmen, and detectives in yard service. (See account 389, "Yard supplies and expenses.")

#### § 10.378 *Yard conductors and brakemen.*

This account shall include the pay of yard conductors or foremen and yard brakemen or switchmen handling cars in passenger and freight yards where regular switching service is maintained and in terminal switching and transfer service, including pay while dead-head-



ing in connection with such service. (See account 389, "Yard supplies and expenses.")

**NOTE:** When conductors and brakemen are engaged in both train and yard service their pay shall be apportioned between the train and yard accounts on the basis of service rendered. This does not apply to train switching service performed by train crews, the entire pay of whom shall be charged to account 401, "Trainmen."

**§ 10.379 Yard switch and signal tenders.** This account shall include the pay of employees in yards where regular switching service is maintained, who are engaged in the operation of yard switches and signals, including interlockers used solely or principally for the government of all movements of locomotives and trains between main and yard tracks, movements of locomotives between yard tracks and enginehouses, and yard switching movements. (See account 389, "Yard supplies and expenses.")

#### LIST OF EMPLOYEES

Battery men.	Lever men.
Interlocker oilers.	Signalmen.
Lamp cleaners.	Switch oilers.
Lamp men.	Switch tenders.
Lamp lighters.	Tower men.

**§ 10.380 Yard enginemen.** This account shall include the pay of yard enginemen while engaged in yards where regular switching service is maintained and in terminal switching and transfer service, including pay of such employees while deadheading in connection with yard service. For purposes of this account enginemen shall be understood to include the operators and their assistants, regardless of the type of self-propelled motive power being operated.

**NOTE:** The pay of enginemen on locomotives engaged in more than one class of service shall be apportioned on the basis of service rendered. Pay of enginemen on train locomotives while engaged in train switching service shall be included in account 392, "Train enginemen." The pay of enginemen on locomotives engaged in work service shall be included in the cost of the work to which the service pertains.

**§ 10.382 Yard switching fuel.** This account shall include the cost, delivered on locomotives or motor cars, of coal, coke, oil, wood, and other fuels consumed in switching service in yards where regular switching service is maintained, and in terminal switching and transfer serv-

ice, including a suitable proportion of the pay of fuel agents, fuel inspectors, fuel weighers, and clerks engaged in accounting for fuel at fuel stations; pay of foremen and other fuel-station employees; also a suitable proportion of the cost of tools, such as wheelbarrows, shovels, scoops, and picks, used for handling fuel at such stations and the cost of operating machinery at fuel stations.

**NOTE A:** The cost of repairs and renewals of coal chutes, buggies, pockets, air hoists, mechanical hoists, and mechanical conveyors at fuel stations shall be charged to account 233, "Fuel stations."

**NOTE B:** The cost of supplies consumed by locomotives and motor cars engaged in more than one class of service shall be apportioned upon the basis of service rendered. The cost of supplies consumed by train locomotives and motor cars in train switching service shall be included in accounts provided for train service. The cost of supplies consumed by locomotives and motor cars in work service shall be included in the cost of the work to which the service pertains.

**§ 10.383 Yard switching power produced.** This account shall include the cost of the production and distribution of electric power used in operating locomotives and cars in switching service in yards where regular switching service is maintained, and in terminal switching and transfer service.

(a) **Employees.** The pay of employees engaged in operating electric-power stations and substations, such as engineers, firemen, electricians, dynamo men, oilers, cleaners, and coal passers.

(b) **Fuel.** The cost of coal, oil, gas, and other fuel, including the cost of labor unloading or stocking fuel.

(c) **Water.** The cost of water used to produce steam or to operate water plants, including pumping, rent of ponds, streams, and pipe lines; also water tests, boiler compounds, and other like supplies and expenses.

(d) **Other supplies and expenses.** The cost of lubricants, such as oil and grease used in lubricating engines, shafting, dynamos, and pumps; cost of waste, carbon brushes, fuses, lamps, and other supplies; also the cost of heating and lighting power plants, and other expenses not elsewhere specified in connection with operation of electric-power plants. (See § 10.04-12 *Power plant operations*.)

**NOTE:** The cost of supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis

of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

§ 10.384 *Yard switching power purchased.* This account shall include the cost of electric power purchased for the propulsion of engines and cars in switching service in yards where regular switching service is maintained, and in terminal switching and transfer service.

**NOTE:** The cost of supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

§ 10.385 *Water for yard locomotives.* This account shall include the cost of water supplied to locomotives in switching service in yards where regular switching service is maintained, and in terminal switching and transfer service, including rent of ponds, lakes, other sources of water supply, and right of way for pipe lines; cost of water purchased, expenses of work trains while engaged in hauling water for locomotive supply, and cost of testing water; also cost of labor expended and cost of materials and supplies used in the operation of water stations and purifying plants.

The cost of operating boilers, engines, and pumps at water stations; heating and lighting water stations, breaking ice in water tanks, thawing out tank spouts and water cars, keeping fires in tanks and water cars to prevent freezing, shoveling snow into locomotive tanks; also temporary connections between water cars and locomotive tenders, compounds injected into locomotive boilers to decrease scale formation, and other expenses directly incident to the supplying of water to such locomotives, shall be included in this account.

An equitable proportion of the pay and the office, traveling, and other expenses of superintendent of water service engaged in connection with water supply for locomotives shall be included in this account.

#### ITEMS OF WATER STATION SUPPLIES

Axes.	Chemicals.
Boiler compounds.	Coal.

Coal picks.
Engine igniter batteries.
Gasoline.
Gasoline drums.
Hand tools.
Hose.
Oil.

Rubber packing.
Shovels.
Siphons.
Slide bars.
Stove fixtures.
Stoves.
Waste.
Wrenches.

**NOTE:** The cost of supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

§ 10.386 *Lubricants for yard locomotives.* This account shall include the cost of valve, engine, car, and other lubricating oils, grease, compounds, and waste used for lubrication of locomotives in switching service in yards where regular switching service is maintained and in terminal switching and transfer service.

**NOTE:** The cost of supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

§ 10.387 *Other supplies for yard locomotives.* This account shall include the cost of supplies, other than fuel, water, and lubricants, used on locomotives in switching service in yards where regular switching service is maintained and in terminal switching and transfer service, including the cost of repairs and renewals of furniture, tools, and other movable articles required for use on locomotives in yard service.

The cost of sand charged to this account shall include the cost of material and supplies used in preparing and drying the sand for use, such as the cost of fuel, wheelbarrows, shovels, and sand screens.

#### ITEMS OF TOOLS AND SUPPLIES

Ash hoes.	Carbide for acetylene gas.
Ash-pan rods.	Carbons for electric lights.
Axes.	Chimneys for head-lights.
Bars, buggy.	Chimneys for signal lamps.
Bell cords.	Chisels.
Boxes, portable.	
Brooms.	
Brushes.	
Buckets.	

Clinker hooks.  
Crowbars.  
Files.  
First-aid boxes.  
Flags.  
Globes for lanterns.  
Grate shakers.  
Hammers.  
Handsaws.  
Hatchets.  
Hose (not air-brake,  
air-signal, or  
steam).  
Hose, thaw-out.  
Hose reels.  
Ice.  
Jacks.  
Jackscrews.  
Lanterns and parts.  
Locks for portable  
boxes.  
Matches.  
Oil cans.  
Oil for headlights.  
Oil for lanterns.  
Oil for signal lamps.  
Oil for torches.  
Oilers.  
Packing hooks.  
Packing spoons.  
Picks, coal.  
Pinch bars.  
Plugging bars.  
Pokers.  
Sand.  
Saws.  
Scoops.  
Shovels.  
Signal lamps.  
Sledges.  
Slice bars.  
Soap.  
Switch chains.  
Switch poles.  
Switch ropes.  
Tool boxes, portable.  
Torches.  
Torpedoes.  
Waste.  
Water buckets.  
Water coolers.  
Wicks for headlights.  
Wicks for lanterns.  
Wicks for signal  
lamps.  
Wicks for torches.  
Wrecking frogs.  
Wrenches.

NOTE A: Where the quantity of sand used on locomotives engaged in yard service is relatively small as compared with the quantity used by locomotives engaged in train service, the entire cost of such material shall be included in account 399, "Other supplies for train locomotives." Where the quantity used in yard service is relatively large, the entire cost shall be included in this account.

NOTE B: The cost of other supplies consumed by locomotives engaged in more than one class of service shall be apportioned upon the basis of service rendered. The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

**§ 10.388 Enginehouse expenses; yard.** This account shall include the expense of caring for and preparing locomotives for switching service in yards where regular switching service is maintained and in terminal switching and transfer service, including a proportion of such expenses as are common to train, yard switching, and work service.

(a) *Enginehouse men.* The pay of enginehouse employees engaged in wiping, cleaning, watching, and dispatching locomotives; keeping and preparing fires, dumping ashes, washing boilers, cleaning fire boxes, packing driving boxes and truck boxes; cleaning smokestacks, air-brake equipment, and front ends of locomotives; checking locomotive tool equip-

ment, cleaning ash and cinder pits; operating turntables, drying sand, inspecting smokestacks and ash pans; calling enginemen, and moving locomotives around engine yards when operated by hostlers; also a proportion of the pay of enginehouse foremen and their clerks.

(b) *Miscellaneous expenses.* The cost of tools, supplies, and sundry expenses on account of caring for and preparing locomotives at enginehouses.

#### ITEMS OF MISCELLANEOUS EXPENSES

Boiled oil.  
Compounds for cleaning and polishing.  
Enginehouse cupboards.  
Gas, oil, and electricity for lighting.  
Heating enginehouses, including offices.  
Lampblack.  
Lanterns used by enginehouse men.  
Lighting enginehouses, including offices.  
Lubricating oil for enginehouse, ash pit, transfer table, and turntable machinery.  
Lye.  
Packing tools.  
Paint for front ends of locomotives.  
Power for operation of turntables and transfer tables.  
Rent of roundhouse stalls.  
Shovels.  
Signal lights on transfer tables and turntables.  
Waste.  
Water for cinder pits.  
Water for washing boilers.  
Water hose.  
Wheelbarrows

NOTE A: Enginehouse expenses of locomotives in work service shall be included in the cost of the work to which the service pertains.

NOTE B: The pay of mechanics and laborers engaged in locomotive repair work in enginehouses shall be charged to the appropriate accounts for locomotive repairs

#### § 10.389 Yard supplies and expenses.

This account shall include the cost of supplies (except locomotive supplies) used in yard service, yard signal and interlocker supplies, and miscellaneous yard expenses for yards where regular switching service is maintained; also office and other expenses of employees whose pay is chargeable to accounts 377, 378, and 379.

#### ITEMS OF YARD SUPPLIES

Electric-light carbons.	Lamp chimneys.
Electric-light globes	Lamp wicks.
Flags.	Lantern globes.
Fuel for heating.	Lantern wicks.
Fuel for power.	Lanterns.
Illuminating oil.	Lubricants for machinery and switches.
Lamp burners.	

Semaphore lamps.	Switch ropes
Signal lamps.	Waste.
Stoves.	Wrecking frogs.
Switch chains.	Wrecking wedges.
Switch lamps.	

#### ITEMS OF YARD EXPENSE

Electricity purchased for lighting yards and yard buildings.  
 Furniture repairs and renewals.  
 Gas purchased for lighting yards and yard buildings.  
 Power produced for operating switches and signals.  
 Power purchased for operating switches and signals.  
 Rent of telephones.  
 Rent of yard buildings (not jointly used).

**§ 10.390 Operating joint yards and terminals—Dr.** This account shall include the carrier's proportion of the costs incurred by others in their operation of joint yards and terminals, including signals, interlockers, and other facilities at such joint yards and terminals.

**NOTE A:** The purpose of this account is to show the amounts accruing against the carrier for its proportion of the cost of operating yards and terminals operated by others, and in the joint use of which the carrier participates. (See § 10.04-9 *Joint facility accounts*.)

**NOTE B:** No portion of expenses chargeable by the operating carrier to accounts 392 to 403, inclusive, shall be included in this account.

**§ 10.391 Operating joint yards and terminals—Cr.** This account shall include amounts chargeable to others as their proportions of the costs incurred by the carrier in the operation of joint yards and terminals, including signals, interlockers, and other facilities at such joint yards and terminals.

**NOTE A:** The purpose of this account is to show the amounts accruing in favor of the carrier and against others for their proportions of the cost of operating yards and terminals operated by the carrier and in the joint use of which others participate. (See § 10.04-9 *Joint facility accounts*.)

**NOTE B:** No portion of expenses chargeable by the operating carrier to accounts 392 to 403, inclusive, shall be included in this account.

**§ 10.392 Train enginemen.** This account shall include the pay of enginemen while engaged in transportation train service or while deadheading in connection therewith and pay of such enginemen engaged in piloting trains over home lines; also the pay of employees while regularly engaged in shoveling coal forward on locomotive tenders. For pur-

poses of this account enginemen shall be understood to include the operators and their assistants, regardless of the type of self-propelled motive power being operated.

**NOTE:** The pay of enginemen on locomotives engaged in more than one class of service shall be apportioned on the basis of service rendered. Pay of enginemen on train locomotives while engaged in train switching service shall be included in this account. The pay of enginemen on locomotives engaged in work service shall be included in the cost of the work to which the service pertains.

**§ 10.394 Train fuel.** This account shall include the cost, delivered on locomotives or motor cars, of coal, coke, oil, wood, and other fuel for propulsion of trains in transportation-train service, including a suitable proportion of the pay of fuel agents, fuel inspectors, fuel weighers, and clerks engaged in accounting for fuel at fuel stations; pay of foremen and other fuel station employees; also a suitable proportion of the cost of tools, such as wheelbarrows, shovels, scoops, and picks, used for handling fuel at such stations, and the cost of operating machinery at fuel stations.

**NOTE A:** The cost of repairs and renewals of coal chutes, buggies, pockets, air hoists, mechanical hoists, and mechanical conveyors at fuel stations shall be charged to account 233, "Fuel stations."

**NOTE B:** The entire cost of supplies consumed by train locomotives and motor cars in train-switching service shall be included in the accounts provided for train service. The cost of supplies consumed by locomotives and motor cars in work service shall be included in the cost of the work to which the service pertains.

**§ 10.395 Train power produced.** This account shall include the cost of producing and distributing electric power for the propulsion of electric locomotives and cars in transportation train service.

(a) **Employees.** The pay of employees engaged in operating electric-power stations and substations, such as engineers, firemen, electricians, dynamo men, oilers, cleaners, and coal passers.

(b) **Fuel.** The cost of coal, oil, gas, and other fuel, including the cost of labor unloading or stocking fuel.

(c) **Water.** The cost of water used to produce steam or to operate water plants, including pumping, rent of ponds, streams, and pipe lines; also water tests, boiler compounds, and other like supplies and expenses.

(d) *Other supplies and expenses.* The cost of lubricants, such as oil and grease, used in lubricating engines, shafting, dynamos, and pumps; cost of waste, carbon brushes, fuses, lamps, and other supplies; also cost of heating and lighting power plants, and other expenses not elsewhere specified in connection with operation of electric-power plants. (See § 10.04-12 *Power plant operations.*)

**NOTE:** The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

§ 10.396 *Train power purchased.* This account shall include the cost of electric power purchased for the propulsion of locomotives and cars in transportation train service.

**NOTE:** The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

§ 10.397 *Water for train locomotives.* This account shall include the cost of water supplied to locomotives in transportation train service, including rent of ponds, lakes, other sources of water supply, and right of way for pipe lines; cost of water purchased, expenses of supply trains while engaged in hauling water for locomotive supply, and cost of testing water; also cost of labor expended and cost of material and supplies used in the operation of water stations and purifying plants.

The cost of operating boilers, engines, and pumps at water stations, heating and lighting water stations, breaking ice in water tanks, thawing out tank spouts and water cars, keeping fires in tanks and water cars to prevent freezing, shoveling snow into locomotive tanks; also temporary connections between water cars and locomotive tenders, compounds injected into locomotive boilers to decrease scale formation, and other expenses directly incident to the supplying of water to such locomotives, shall be included in this account.

An equitable proportion of the pay and the office, traveling, and other expenses of superintendent of water service, en-

gaged in connection with water supply for locomotives, shall be included in this account.

#### ITEMS OF WATER STATION SUPPLIES

Axes.	Hose.
Boiler compounds.	Oil.
Chemicals.	Rubber packing.
Coal.	Shovels.
Coal picks.	Siphons.
Engine igniter batteries.	Slide bars.
Gasoline.	Stove fixtures.
Gasoline drums.	Stoves.
Hand tools.	Waste.
	Wrenches.

**NOTE:** The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

§ 10.398 *Lubricants for train locomotives.* This account shall include the cost of valve, engine, car, and other lubricating oils, grease, compounds, and waste used for lubrication of locomotives in transportation train service.

**NOTE:** The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

§ 10.399 *Other supplies for train locomotives.* This account shall include the cost of supplies other than fuel, water, and lubricants, including the cost of repairs and renewals of furniture, tools, and other movable articles required for use on locomotives in transportation train service.

The cost of sand charged to this account shall include the cost of material and supplies used in preparing and drying the sand for use, such as the cost of fuel, wheelbarrows, shovels, and sand screens.

#### ITEMS OF TOOLS AND SUPPLIES

Ash hoes.	Chimneys for head-lights.
Ash-pan rods.	Chimneys for signal lamps.
Axes.	Chisels.
Bars, buggy.	Clinker hooks.
Bell cords.	Crowbars.
Boxes, portable.	Files.
Brooms.	First-aid boxes.
Brushes.	Flags.
Buckets.	Globes for lanterns.
Carbide for acetylene gas.	Grate shakers.
Carbons for electric lights.	Hammers.

Handsaws.	Plugging bars.
Hatchets.	Pokers.
Hose (not air-brake,	Sand.
air-signal, or	Saws.
steam).	Scoops.
Hose, thaw-out.	Shovels.
Hose reels.	Signal lamps.
Ice.	Sledges.
Jacks.	Slide bars.
Jackscrews.	Soap.
Lanterns and parts.	Switch chains.
Locks for portable	Switch poles.
boxes.	Switch ropes.
Matches.	Tool boxes, portable.
Oil cans.	Torches.
Oil for headlights.	Torpedoes.
Oil for lanterns.	Waste.
Oil for signal lamps.	Water buckets.
Oil for torches.	Water coolers.
Oilers.	Wicks for headlights.
Packing, fiber.	Wicks for lanterns.
Packing, rubber.	Wicks for signal
Packing hooks.	lamps.
Packing spoons.	Wicks for torches.
Picks, coal.	Wrecking frogs.
Pinch bars.	Wrenches.

**NOTE A:** Where the quantity of sand used on locomotives engaged in train service is relatively small as compared with the quantity used by locomotives engaged in yard service, the entire cost of such material shall be included in account 387, "Other supplies for yard locomotives." Where the quantity used in train service is relatively large, the entire cost shall be included in this account.

**NOTE B:** The entire cost of supplies consumed by train locomotives in train switching service shall be included in the accounts provided for train service. The supplies consumed by locomotives in work service shall be included in the cost of the work to which the service pertains.

**§ 10.400 Enginehouse expenses; train.** This account shall include the expense of caring for and preparing locomotives for transportation train service, including a proportion of such expenses as are common to train, yard switching, and work service.

(a) *Enginehouse men.* The pay of enginehouse employees engaged in wiping, cleaning, watching, and dispatching locomotives; preparing and keeping fires, dumping ashes, washing boilers, cleaning fire boxes, packing driving boxes and truck boxes; cleaning smokestacks, air-brake equipment, and front ends of locomotives; checking locomotive tool equipment, cleaning ash and cinder pits; operating turntables, drying sand, inspecting smokestacks and ash pans; and moving locomotives around engine yards when operated by hostlers; also a proportion of the pay of enginehouse foremen and their clerks.

(b) *Miscellaneous expenses.* The cost of tools and supplies and sundry expenses on account of caring for and preparing locomotives at enginehouses.

#### ITEMS OF MISCELLANEOUS EXPENSES

Boiled oil.  
Compounds for cleaning and polishing.  
Gas, oil, and electricity for lighting.  
Heating enginehouses, including offices.  
Lampblack.  
Lanterns used by enginehouse men.  
Lighting enginehouses, including offices.  
Lubricating oil.  
Lye.  
Packing tools.  
Paint for front ends of locomotives.  
Power for operation of turntables and transfer tables.  
Rent of roundhouse stalls.  
Shovels.  
Signal lights on transfer tables and turntables.  
Waste.  
Water for cinder pits.  
Water for washing boilers.  
Water hose.  
Wheelbarrows.

**NOTE A:** Enginehouse expenses of locomotives in work service shall be included in the cost of the work to which the service pertains.

**NOTE B:** The pay of mechanics and laborers engaged in locomotive repair work in enginehouses shall be charged to the appropriate accounts for locomotive repairs.

**§ 10.401 Trainmen.** This account shall include the pay of conductors; of train auditors, ticket collectors, and others engaged in lifting or examining authorities for transportation; and of baggagemen, brakemen, flagmen, train porters, train guards, train stenographers, maids, and other train employees while engaged in transportation train service or while deadheading in connection therewith; also the pay of trainmen while engaged in piloting trains over home lines.

**NOTE:** The pay of trainmen while engaged in work-train service shall be included in the cost of the work to which the service pertains.

**§ 10.402 Train supplies and expenses.** This account shall include miscellaneous expenses of transportation service trains and the cost of all supplies other than locomotive supplies.

(a) *Cleaning cars.* The cost of cleaning and disinfecting passenger and freight cars in transportation train service, including cost of removing from freight-train cars such refuse material as sawdust, hay, and straw.

## ITEMS OF SERVICE AND SUPPLIES

Brooms.	Hose and fixtures.
Brushes.	Labor of employees.
Cleaning compounds.	Polishing compounds.
Compressed air.	Soap.
Disinfectants.	Sponges.
Disinfecting machines.	Water.
Fuel for heating water.	

(b) *Heating cars.* The cost of heating cars in transportation train service, including cost of operating steam-heating plants for car heating at stations and yards. Credits shall be made to this account for charges for heater service collected from other companies and individuals.

## ITEMS OF SERVICE AND SUPPLIES

Connections between steam heating lines and cars.  
 Fuel.  
 Labor of employees.  
 Removal of ashes from car stoves.  
 Stoves temporarily in freight cars.

(c) *Lighting cars.* The cost of lighting cars in transportation train service, including the cost of filling and cleaning lamps and of operating plants for supplying gas or electricity for lighting purposes.

## ITEMS OF SERVICE AND SUPPLIES

Battery renewals.	Incandescent lamp bulbs.
Candles.	Labor of employees.
Chimneys.	Lamp carbons.
Electricity.	Oil.
Gas.	Shades.
Gas mantles.	Wicks.
Globes.	
Hose and connections.	

**NOTE:** Repairs of gas lighting and electric lighting plants shall be included in the proper maintenance accounts. Repairs and renewals of electric lighting equipment of cars, except supplies as above provided, shall be included in the appropriate car-repair account.

(d) *Lubricating cars.* The cost of lubricating cars in transportation train service, including cost of inspecting, repacking, and oiling car journal boxes and air-brake equipment.

## ITEMS OF SERVICE AND SUPPLIES

Cotton waste.	Packing buckets.
Grease buckets.	Packing hooks.
Labor of employees.	Packing irons.
Oil cans.	Packing, miscellaneous.
Oil, grease, and other lubricants.	Wool waste.

(e) *Icing and watering cars.* The cost of icing and watering cars in transportation train service, including icing cars for refrigeration purposes. Credits shall be made to this account for refrigeration charges collected from other companies and individuals.

## ITEMS OF SERVICE AND SUPPLIES

Buckets.	Labor of employees.
Hose and fixtures.	Ladders.
Ice.	Salt.
Ice tools.	Water.

(f) *Detouring trains.* The compensation for temporary use of tracks of other carriers, including the cost of pilot service, on account of wrecks, washouts, landslides, snow blockades, and other defects of the tracks, bridges, or tunnels on the carrier's line.

(g) *Train supplies.* The cost of supplies furnished for use on cars in transportation train service.

## ITEMS OF TRAIN SUPPLIES

Axes.	Matches.
Badges.	Medical boxes.
Beds.	Oil for lanterns.
Bell cords.	Order hoops.
Boxes for trainmen.	Padlocks.
Brooms.	Pails.
Brushes.	Punches.
Chains.	Sawdust.
Chairs for cabooses (not permanently attached).	Saws.
Cold chisels.	Scoops.
Combs.	Shovels.
Conductors' punches.	Signal boxes.
Cuspidors.	Signal lamps (rear).
Drinking cups and glasses.	Sledges.
Fire buckets.	Soap.
Flags.	Switch chains.
Fuses.	Switch ropes.
Hammers.	Toilet paper.
Hatchets.	Torpedoes.
Jacks.	Towels.
Lamp boards.	Train tool boxes.
Lamp sticks.	Uniform trimmings.
Lantern globes.	Uniforms.
Lantern parts.	Ventilator sticks.
Lanterns.	Waste.
	Water buckets.
	Wrecking frogs.
	Wrenches.

(h) *Other expenses.* The cost of miscellaneous supplies required to equip trains for transportation service and miscellaneous expenses incident to operation of such trains.

## ITEMS OF EXPENSE ON ACCOUNT OF EMPLOYEES

Apparatus for testing the sight and hearing of engineers and trainmen.  
 Employees' reading and bunk room expense, including pay of attendants and supplies furnished.  
 Laundry work.  
 Physicians' fees for examination of train employees.

Wages paid to superintendents and secretaries of reading rooms.

ITEMS OF EXPENSE ON ACCOUNT OF  
TRANSPORTATION

Bedding for stock cars.  
Boarding and slatting box and stock cars for carrying coal, coke, and other freight.  
Boards for flooring fruit cars.  
Chains for securing loads.  
Cleaning, trimming, and filling trainmen's lanterns and rear signal lamps.  
Coupling and uncoupling cars at terminals.  
Disinfecting cars.  
Dunnage used in loading cars or fitting cars for freight shipments.  
Feed for live stock in snow-bound or otherwise delayed trains.  
Flowers and plants for cars.  
Laundry for revenue service cars other than for dining and buffet service and sleeping car service.  
Occasional turning of engines on V of other carriers.  
Oil and other supplies for locomotives hauled as freight.  
Periodicals for use of passengers on trains.  
Planking cars for billet shipments and other material.  
Provisions, supplies, or board for passengers in delayed trains.  
Removing advertisements from cars.  
Rent of fare registers in cars.  
Safety chains for use between twin and triple cars.  
Supplies for parlor and chair cars.  
Supplies furnished cars for the purpose of protection against accidents and fires.  
Temporary grain doors.  
Temporary lining of cars for freight shipments and stoves and heaters to prevent freezing.  
Temporary openings in cars for freight shipments.  
Temporary racking of cars for handling sugarcane, corn, bark, or cordwood.  
Transferring passengers, express matter, baggage, mail, and freight on account of defective tracks, bridges, or tunnels.

**NOTE:** The expenses of operating sleeping, dining, and buffet car features of train service shall be included in the account 403, "Operating sleeping cars," or in account 441, "Dining and buffet service," as may be appropriate.

§ 10.403 *Operating sleeping cars.* (a) This account shall include the cost of operating sleeping car service on trains.

(1) *Superintendence.* The pay of officers directly in charge of operating sleeping car service; the pay of their clerks and office attendants; also the office, traveling, and other expenses of such officers and employees.

(2) *Station employees.* The pay and expenses of local agents, ticket agents, cashiers, clerks, and attendants; also the

office and other expenses of such employees.

(3) *Station expenses.* The expenses of fuel, water, steam, and supplies used in heating station offices; gas, oil, electric current, and other supplies for lighting; repairs and renewals of station furniture, and all other station expenses connected with sleeping car service when separable from the station expenses chargeable to account 376, "Station supplies and expenses."

(4) *Conductors.* The pay of conductors employed on sleeping cars.

(5) *Porters and maids.* The pay of porters and maids employed on sleeping cars.

(6) *Car supplies.* The cost of miscellaneous supplies used on sleeping cars, such as combs, brushes, brooms, and toilet paper; also uniforms, caps, and service stripes for employees.

(7) *Laundry.* Expenses for laundry work, such as laundering sheets, pillowcases, towels, blankets, etc.

(8) *Other expenses.* The cost of flowers and plants, heating cars, cleaning the interior of cars, and of supplies used in interior cleaning, rent and cost of supplies for rooms furnished for sleeping car service employees, and such other expenses in connection with the operation of sleeping cars as are not provided for elsewhere.

(b) This account shall be charged with the deficits assumed by the carrier under a uniform service contract with The Pullman Company, and shall be credited with the carrier's proportion of profits realized under that contract. It is intended that such charges and credits to this account shall include the entire settlement made by the lessee, except allowances for interest rental and depreciation, and that the results of incidental operation of cars other than sleeping cars will not be excluded from the settlements to be recorded herein.

**NOTE:** When officers have immediate supervision over sleeping car service and other operations their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

§ 10.404 *Signal and interlocker operation.* This account shall include the cost of operating signals and interlockers other than those solely or principally used for governing all movements of



locomotives and trains between main and yard tracks, movements of locomotives between yard tracks and enginehouses, and yard switching movements.

(a) *Labor.* The wages of employees engaged in operating signals and interlockers or power producing plants in connection therewith, such as switch tenders, signalmen other than telegraph operators, lever men, switch and signal oilers, battery men, lamp men, lamp cleaners, and lamplighters; gatemen at crossings of other railroads, engineers and others operating plants furnishing compressed air for signals and interlockers; engineers, electricians, and others operating plants furnishing electric power for signals and interlockers.

(b) *Supplies.* The cost of supplies used in operating signals and interlockers or in signal offices, such as gasoline, vitriol, battery zincs, battery copers, lubricating oils, fuel for heating, fuel for power purposes, produced and purchased power used in operating switches and signals, furniture repairs and renewals, water, and light.

**NOTE:** The cost of operating signals and interlockers solely or principally used for governing the movement of yard locomotives and trains shall be included in the appropriate yard expense accounts.

§ 10.405 *Crossing protection.* This account shall include the pay of street and highway crossing gatekeepers and flagmen, the cost of supplies used by them, the cost of lights at street and highway crossings not a part of the lighting outfit at stations or in yards, and the cost of compressed air for operating gates.

§ 10.406 *Drawbridge operation.* This account shall include the cost of operating drawbridges.

(a) *Labor.* The wages of employees engaged in operating drawbridges, such as bridge engineers, tenders, and watchmen.

(b) *Supplies.* The cost of produced and purchased power and of supplies, such as fuel, oil, lantern, water, waste, boats, stoves, chairs, brooms, and palls used in drawbridge operation.

§ 10.407 *Communication system operation.* This account shall include the cost of operating communication systems not provided for elsewhere.

#### TELEGRAPH

*Superintendence.* The pay of superintendents, censors, their clerks, and attendants.

*Operators and messengers.* The pay of operators, block inspectors, and messengers in telegraph and relay offices other than those employed in dispatching trains and those located in general offices or at stations.

*Other expenses.* Office, traveling, and incidental expenses, including office rent, of employees whose pay is chargeable to this account; rent of telegraph conduits, lines, and poles; cost of battery renewals and supplies, bicycles for messengers, and electric current for telegraph purposes; also excess payments to telegraph companies when in connection with telegraph service and not provided for elsewhere.

**NOTE A:** The pay, rent, other office expenses, and traveling expenses of officers, their clerks and attendants, who supervise or are engaged both in maintenance and operation, shall be apportioned equally between this account and account 247, "Communication systems."

#### TELEPHONE

*Superintendence.* The pay of superintendents, their clerks, and attendants.

*Operators and messengers.* The pay of operators and messengers in telephone offices other than those employed in dispatching trains and those located in general offices or at stations.

*Other expenses.* Office, traveling, and incidental expenses, including office rent, of employees whose pay is chargeable to this account; rent of telephone conduits, lines, and poles; cost of battery renewals and supplies, bicycles for messengers, and electric current for telephone purposes; also excess payments to telephone companies when in connection with telephone service and not provided for elsewhere.

**NOTE B:** The pay, rent, other office expenses, and traveling expenses of officers, their clerks and attendants, who supervise or are engaged both in maintenance and operation, shall be apportioned equally between this account and account 247, "Communication systems."

#### RADIO, RADAR, AND INDUCTIVE TRAIN COMMUNICATION

*Superintendence.* The pay of superintendents or others who supervise operation, and their clerks or attendants.

*Operators.* The pay of operators other than those employed in dispatching trains and those located in general offices or at stations.

*Other expenses.* Office, traveling, and incidental expenses, including office rent, of employees whose pay is chargeable to this account; rent of space or facilities occupied by radio, radar, or inductive train equipment; cost of battery and tube renewals; cost of electric current purchased and all other costs incurred for operation and not provided for elsewhere.

NOTE C: The pay, rent, other office expenses, and traveling expenses of officers, their clerks and attendants, who supervise, or are engaged both in maintenance and operation shall be apportioned equally between this account and account 247, "Communication systems."

§ 10.408 *Operating floating equipment.* This account shall include the cost of operating floating equipment in water transfer (ferriage, lighterage, and floatage). (See § 10.02-1 *Operating accounts.*)

(a) *Superintendence.* The pay of vice presidents and other officers directly in charge of or engaged in the operation of boats; the pay of their assistants, clerks, and attendants; also the office, traveling, and other expenses of such officers and their employees.

(b) *Wages of crews.* The pay of captains, pilots, chief officers, mates, sailors, wireless telegraph operators, and other employees of the deck department; engineers, assistant engineers, electricians, oilers, firemen, coal passers, and all other employees of the engineer's department; and pursers, porters, and all other employees in the steward's department, except when engaged in dining and buffet service.

(c) *Fuel.* The cost, on board boats (including the cost of trimming) of coal, oil, wood, and other fuel used for generating power, heat, or light.

(d) *Lubrication.* The cost of oil, grease, tallow, graphite, and other material furnished for lubricating purposes.

(e) *Other supplies and departmental expenses.* The cost of supplies furnished to deck department; the incidental expenses of deck department employees; supplies other than fuel and lubricants, furnished the engineer's department; water furnished to boats; incidental expenses of engineer's department employees; supplies (other than dining and buffet supplies) furnished to the steward's department; laundry for boats; and incidental expenses of steward's department employees.

#### ITEMS OF SUPPLIES

Axes.	Grease.
Brooms.	Handspikes.
Brushes.	Hatchets.
Commissarial supplies.	Hose.
Flags.	Ice.
Gas.	Lamps.
Globes.	Laundry.
	Lines.

Mops.  
Oil.  
Pails.  
Planks.  
Provisions.  
Ropes.  
Shovels.  
Soap.

Tallow.  
Tools, miscellaneous.  
Trucks.  
Waste.  
Water.  
Wicks.  
Wrenches.

(f) *Other expenses.* Expenses incident to the operation of floating equipment not otherwise provided for in this account.

#### ITEMS OF EXPENSE

Customhouse fees.  
License fees.  
Pumping out boats laid up.  
Raising sunken boats.  
Transferring passengers in case of accidents.  
Wharfage.

(g) *Elevation and longshore labor.* The cost of shore labor in connection with loading and unloading lighterage freight at wharves and piers, such as labor of bridgemen at transfer bridges and of watchmen, longshoremen, stevedores, and other wharf men.

(h) *Elevation and shore expenses.* Shore expenses in connection with loading and unloading lighterage freight, such as the cost of steam and electricity for power, heating, and lighting; power and supplies used for transfer or float bridges; supplies used in connection with operating wharves and piers and not chargeable to account 376, "Station supplies and expenses."

#### ITEMS OF SUPPLIES

Brooms.	Oil cans.
Carbons.	Palls.
Chalk.	Pinch bars.
Coal hods.	Ropes.
Coal shovels.	Salt.
Cold chisels.	Scoops.
Crowbars.	Shovels.
Gas.	Soap.
Hammers.	Tacks.
Hatchets.	Tallow.
Ice.	Torches.
Ice tongs.	Towels.
Incandescent lights.	Twine.
Lamps, reflector.	Waste.
Lanterns.	Water.
Marline.	Water coolers.
Matches.	Wheelbarrows.
Gil.	

NOTE A: When the compensation for the use of floating equipment used in water transfer service includes rent, maintenance, and operation, the portion covering rent shall be charged to income account 539, "Rent for floating equipment," the portion covering maintenance shall be charged to the appropriate account for maintenance of equip-

ment, and the portion covering operation shall be included in this account.

**NOTE B:** This account shall not include the pay of station employees or labor engaged in handling freight at stations, wharves, and piers provided for under account 373, "Station employees," or the pay of employees or labor provided for under account 375, "Coal and ore wharves."

**§ 10.410 Stationery and printing.** This account shall include the cost of stationery and printing used in connection with rail line transportation, including operation of floating equipment.

#### STATIONERY AND PRINTING ITEMS

Adding machines.	Indexes.
Addressographs and supplies.	Ink for writing and drawing.
Arm rests.	Inkstands.
Baggage checks, printed.	Invoice books.
Baggage scrip.	Legal cap paper.
Baggage storage checks.	Letter paper.
Bills of lading.	Manifold paper.
Binders.	Manifold pens.
Blank books.	Mileage books.
Blotters.	Mimeographs.
Blotting paper.	Mucilage.
Bristol board.	Mucilage brushes.
Calculating machines.	Neostyles.
Calendars.	Note paper.
Carbon paper.	Notices.
Cardboard.	Numbering stamps.
Cards, blank and printed.	Oil paper.
Circulars.	Paper.
Computing tables.	Paper baskets.
Conductors' hat checks.	Paper clips.
Copy (impression) books.	Paper cutters.
Copying brushes.	Paper fasteners.
Copying presses.	Paper files.
Crayons.	Paper weights.
Cross-section books.	Papyrographs.
Cross-section paper.	Parchment paper.
Cyclostyles.	Pencil sharpeners.
Dating stamps and ribbons.	Pencils for writing and drawing.
Delivery tickets.	Penholders.
Dictaphones.	Penracks.
Dictographs.	Pens for writing and drawing.
Drawing paper.	Phonographs and records.
Duplicators.	Pins.
Electric pens.	Postage.
Envelopes.	Punches (not conductors' or baggagemen's).
Erasers, rubber and steel.	Rubber bands.
Eyelet punches.	Rubber stamps.
Eyelets.	Rulers.
File boxes, paper.	Ruling pens.
Forms, blank and printed.	Scrapbooks.
Fuel tickets.	Sealing wax.
Glass pens.	Seals.
Hectographs.	Shears.
	Shipping orders.
	Shipping tags.
	Short hand note-books.

Sponge cups.	Tracing cloth.
Sponges.	Tracing paper.
Stamps, impression.	Twine.
Stylographs.	Typewriters and ribbons.
Tablets, blank and printed.	Wage tables.
Tape.	Wastebaskets.
Telegraph blanks.	Water colors.
Ticket stamps.	Water holders.
Tickets.	Waybills.
Time - tables (employees).	Wrapping paper.
Tissue (impression) paper.	Wringers for copying presses.

**NOTE:** The cost of dictionaries, periodicals, technical books, etc., shall be included in appropriate superintendence accounts, and city directories and books of reference used by station agents shall be charged to account 376, "Station supplies and expenses."

**§ 10.411 Other expenses.** This account shall include all expenses in connection with rail line transportation not properly chargeable to other transportation accounts.

#### ITEMS OF EXPENSE

Amounts paid for switching empty cars otherwise than in connection with loaded movements or with the repairs to the equipment.

Amounts paid on account of bills of lading issued on fraudulent receipts.

Amounts paid to suspended transportation department employees covering periods of suspension.

Compensation for property loss incident to failure to stop at station to pick up passengers.

Demurrage accruing on a foreign line by reason of error of carrier's agent.

Extra drayage due to agent's error in routing interline shipment.

Fees paid arbitrators in wage disputes of transportation department employees.

Loss of station funds by burglary, when not covered by insurance.

Loss of train collections in holdup.

Overcharges paid foreign lines on account of error of the carrier's agent in routing and billing.

Pay and expenses of transportation department employees attending conferences with officers in connection with wage disputes.

Payments for switching on account of cars not passing inspection at junction points.

Penalties imposed under reciprocal demurrage laws for failure to furnish cars.

"Penalty switching" payments on account of improper delivery of cars to other carriers.

**§ 10.412 Operating joint tracks and facilities—Dr.** This account shall include the carrier's proportion of the transportation expenses incurred by others in the operation of joint tracks, interlockers, and other facilities which are not pro-

vided for in account 390, "Operating joint yards and terminals—Dr."

**NOTE A:** The purpose of this account is to show the amount accruing against the carrier for its proportion of the cost of operating tracks and facilities (other than at joint yards and terminals) operated by others and in the joint use of which the carrier participates. (See § 10.04-9 *Joint facility accounts*.)

**NOTE B:** No portion of expenses chargeable by the operating carrier to accounts 392 to 403, inclusive, shall be included in this account.

**§ 10.413 Operating joint tracks and facilities—Cr.** This account shall include amounts chargeable to others as their proportions of transportation expenses incurred by the carrier in the operation of joint tracks, interlockers, and other facilities which are not provided for in account 391, "Operating joint yards and terminals—Cr."

**NOTE A:** The purpose of this account is to show the amounts accruing in favor of the carrier and against others for their proportions of the cost of operating tracks and facilities (other than at joint yards and terminals) operated by the carrier and in the joint use of which others participate. (See § 10.04-9 *Joint facility accounts*.)

**NOTE B:** No portion of expenses chargeable by the operating carrier to accounts 392 to 403, inclusive, shall be included in this account.

**§ 10.414 Insurance.** This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to rail line transportation; also premiums on fidelity bonds of employees whose pay is chargeable to rail line transportation. (See § 10.04-18 *Insurance*.)

**NOTE:** The premiums paid by the carrier to its insurance fund shall be credited to an insurance reserve account, to which account shall be charged the amount of all claims for injuries to persons and damages to the property covered by its insurance. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies for damage to property reinsured by them.

**§ 10.415 Clearing wrecks.** This account shall include the cost of clearing wrecks other than wrecks of work trains.

(a) *Labor.* The wages of employees while engaged in connection with wrecking service, loading, and transferring

contents of wrecked cars, building temporary tracks around wrecks, and removing such tracks.

(b) *Train service.* The cost of train service in connection with replacing wrecked equipment upon the tracks and transporting such equipment to shops for repairs, including amounts paid to other companies for service of locomotives, derricks, and other equipment and for wages of crews in wrecking service.

(c) *Other supplies and expenses.* Payments for reloading or transferring freight, express, baggage, and mail; transferring passengers, and cost of provisions or board for men clearing up or watching at wrecks.

**NOTE A:** Expenses of clearing wrecks of work trains shall be included in the cost of the work in connection with which the wrecked train was engaged.

**NOTE B:** The cost of restoring roadbed and tracks to original condition after wrecks and the cost of repairing equipment damaged or destroyed by wrecks shall be charged to the appropriate accounts for maintenance of way and structures and maintenance of equipment.

**NOTE C:** That proportion of payments to other companies for use of locomotives, derricks, and other equipment in wrecking service which represents rent shall be included in the income accounts.

**§ 10.416 Damage to property.** This account shall include payments and expenses on account of damages to the property of others, whether by fire, collision, flood, or other cause, with the exception of payments and expenses on account of damage to property entrusted to the carrier for transportation, and for damage to stock on right of way. It shall include also fines or compensation paid for interference with the business of others, as by detention of vessels at drawbridges, or by blocking streets.

This account shall include also the pay, office rent, and office, traveling, and other expenses of employees and others engaged as claim adjusters or as witnesses in lawsuits in connection with damage to property cases, or engaged in detection of thieves; notarial fees paid in connection with such cases; and payments for or repairs of damage to equipment of other carriers, or to property contained therein, such carriers having trackage rights upon or grade crossings over the carrier's tracks.

This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier

for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

**NOTE A:** Damage to livestock on right of way, and damage to freight and baggage intrusted for transportation, are provided for under accounts 417, "Damage to livestock on right of way"; 418, "Loss and damage—Freight"; and 419, "Loss and damage—Baggage."

**NOTE B:** Expenses incident to suits growing out of damage to property claims, not otherwise provided for, shall be included in account 454, "Law expenses."

**NOTE C:** The pay, office rent, and the traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not accurately assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account 450, "General."

**§ 10.417 *Damage to livestock on right of way.*** This account shall include payments on account of cattle and other livestock killed or injured while crossing or trespassing on the right of way, including cost of removing and burying the same.

There shall be included in this account also the pay and the traveling, office, and other expenses of employees and others engaged as livestock claim adjusters or engaged as witnesses in law-suits in connection with damage to livestock on right of way; also notarial fees in connection with claims for damage to livestock on right of way.

This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

**NOTE A:** Expenses incident to suits growing out of livestock claims, not otherwise provided for, shall be included in account 454, "Law expenses."

**NOTE B:** The pay, office rent, and traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not accurately assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office

employees whose pay is includible in general account 450, "General."

**§ 10.418 *Loss and damage; freight.*** This account shall include payments and expenses on account of loss, destruction, damage, or delays to revenue freight shipments, including locomotives and cars transported as freight, express matter, milk shipments, and livestock, and expenses incurred on account of such payments; also expenses on account of loss, destruction, or damage to shipments of company material.

This account shall also include the cost of repacking and boxing damaged freight shipments; notarial fees in connection with freight claims; freight charges paid other carriers on lost, destroyed, or damaged shipments; pay, traveling, office, and other expenses of employees or others engaged as freight-claim adjusters, as witnesses in lawsuits in connection with freight-claim cases, in selling damaged and unclaimed shipments, or in detecting thieves; rent of warehouses used for storage of damaged and astray freight shipments, payments for storage of such shipments in public warehouses, and interest and penalties assessed for nonpayment of freight claims.

Amounts received from the sale of astray and damaged freight shall be credited to this account.

This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

**NOTE A:** Expenses incident to suits growing out of loss and damage (freight) claims, not otherwise provided for, shall be included in account 454, "Law expenses."

**NOTE B:** The pay, office rent, and traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not accurately assignable to a distinct class of claims shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account 450, "General."

**§ 10.419 *Loss and damage; baggage.*** This account shall include payments for loss, destruction, damage, or delays to baggage and other personal property carried as baggage, and damage to personal apparel; also expenses on account of such loss or damage.

This account shall also include the cost of repacking and boxing damaged baggage; notarial fees in connection with baggage claims; baggage claim payments made to other carriers on lost, destroyed, damaged, or delayed shipments; pay, traveling, office, and other expenses of employees or others engaged as baggage claim adjusters, as witnesses in lawsuits in connection with baggage claim cases, in selling damaged and unclaimed baggage, or in detecting thieves; rent of warehouses used exclusively for storage of damaged and unclaimed baggage, payments for storage of such shipments in public warehouses, and interest and penalties assessed for nonpayment of claims.

Amounts received from the sale of astray and damaged baggage shall be credited to this account.

This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

**NOTE A:** Expenses incident to suits growing out of loss and damage (baggage) claims, not otherwise provided for, shall be included in account 454, "Law expenses."

**NOTE B:** The pay, office rent, and traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not accurately assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account 450, "General."

**NOTE C:** When a payment on account of injuries to passengers includes allowance for damage to personal apparel the damage allowance shall be included in this account when separable; otherwise in the appropriate personal injury account.

**§ 10.420 Injuries to persons.** This account shall include expenses on account of injuries to persons which occur directly in connection with transportation service, including damages for ejectment of passengers.

Services of employees and others called in consultation in relation to claim adjustments; pay and expenses of employees while engaged as witnesses at inquests and lawsuits, and a suitable proportion of donations made to hospitals, shall be included in this account.

This account shall also include amounts estimated to be sufficient to meet the probable liability of the carrier for unaudited expenses applicable thereto, except that it is not required to anticipate items which would not appreciably affect the account.

#### ITEMS OF EXPENSE

Artificial limbs.  
Carriage fees.  
Claim adjusters' and clerks' services.  
Claim adjusters' office expenses.  
Compensation for injuries or death.  
Final judgments, including plaintiffs' court costs.  
Funeral expenses.  
Hospital attendance.  
Medical and surgical services.  
Medical and surgical supplies.  
Notarial fees.  
Nursing.  
Railway transportation.  
Undertakers' services.  
Undertakers' supplies.  
Witnesses' fees and expenses at inquests and lawsuits.

**NOTE A:** Expenses incident to personal injury suits, not otherwise provided for, shall be included in account 454, "Law expenses."

**NOTE B:** Amounts donated by a carrier to hospitals shall be distributed, 25 percent to account 274, "Injuries to persons"; 25 percent to account 332, "Injuries to persons"; and 50 percent to account 420, "Injuries to persons."

**NOTE C:** The pay, office rent, and traveling, office, and other expenses of claim adjusters, claim clerks, and others engaged in claim matters when not accurately assignable to a distinct class of claims, shall be apportioned equally among the several classes of claims over which they have jurisdiction or in connection with which they are engaged. This provision does not apply to the pay and expenses of general officers or general office employees whose pay is includible in general account 450, "General."

**NOTE D:** When a payment on account of injuries to persons includes allowances for damages to personal apparel, the damage allowance shall be included in account 419, "Loss and damage—Baggage," when separable; otherwise the entire payment shall be included in this account.

#### MISCELLANEOUS OPERATIONS

**§ 10.440 Miscellaneous operations.** The primary accounts included in this general account are designed to show the expenses incurred in miscellaneous operations. (See § 10.02—4 *Miscellaneous operations.*)

**§ 10.441 Dining and buffet service.** This account shall include the cost of operating dining and buffet service on

trains and transfer boats. It shall include:

(a) *Superintendence.* The pay of officers directly in charge of operating dining and buffet service; the pay of their assistants, clerks, and office attendants; also the office, traveling, and other expenses of such officers and their employees.

(b) *Commissarial employees.* The pay of storekeepers, assistant storekeepers, clerks, porters, and other employees in commissarial supply depots and storehouses.

(c) *Stewards.* The pay of stewards or conductors employed on dining and buffet cars and transfer boats.

(d) *Cooks and waiters.* The pay of cooks, waiters, and assistants on dining and buffet cars and transfer boats.

(e) *Fuel and supplies.* The cost of fuel for cooking purposes; of provisions, such as meats, groceries, vegetables, fish, table waters, ice, etc.; bar supplies, such as wines, liquors, beers, ales, etc.; cost of licenses; and cost of cigars, cigarettes, and tobacco.

(f) *Laundry.* Expenses for laundry work, such as laundering tablecloths, napkins, aprons, etc.

(g) *Stationery and printing.* The cost of stationery and printing used in connection with dining and buffet service.

(h) *Other expenses.* The cost of flowers and plants; cleaning the interior of cars; rent and cost of supplies for rooms furnished for dining and buffet service employees; and such other expenses in connection with the operation of dining and buffet service as are not provided for elsewhere.

**NOTE:** When officers have immediate supervision over dining and buffet service and other operations their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

§ 10.442 *Hotels and restaurants.* This account shall include the cost of operating hotels, restaurants, and lunch counters when the cost of the operated property is includible in the road and equipment accounts. It shall include:

(a) *Superintendence.* The pay of officers directly in charge of operating hotels, restaurants, and lunch counters; pay of their clerks and office attendants;

also the office, traveling, and other expenses of such officers.

(b) *Employees.* The pay of stewards, hotel keepers, storekeepers, checkers, linen clerks, butchers, chefs, cooks, kitchen help, maids, porters, elevator men, call boys, hat and cloak attendants, waiters, waitresses, laundresses, engineers, firemen, and other employees engaged in operating hotels, restaurants, and lunch counters.

(c) *Fuel and supplies.* The cost of fuel for cooking and heating purposes; provisions, such as meats, groceries, vegetables, fish, table waters, ice, etc.; bar supplies, such as wines, liquors, beers, ales, etc.; the cost of liquor licenses; the cost of tobacco, cigars, cigarettes, etc.; and miscellaneous supplies for operating the service.

(d) *Stationery and printing.* The cost of stationery and printing used in connection with the operation of hotels and restaurants.

(e) *Other expenses.* The cost of lighting, and other items of expense not otherwise provided for in this account.

**NOTE:** When officers have immediate supervision over hotels, restaurants, and lunch counters and other operations their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

§ 10.443 *Grain elevators.* This account shall include the cost of operating grain elevators other than small elevators which are classed as station facilities. It shall include:

(a) *Superintendence.* The pay of officers directly in charge of grain-elevator service; the pay of their assistants, clerks, and office attendants; also the office, traveling, and other expenses of such officers and their employees.

(b) *Employees.* The pay of engineers, firemen, foremen, machine men, oilers, millwrights, carpenters, trimmers, weighers, spout men, sweepers, laborers, watchmen, and all other employees engaged in operating grain elevators.

(c) *Fuel and supplies.* The cost of fuel for power, heating, and lighting plants; power for heating, lighting, and operating machinery; and water, ice, oil, waste, and other supplies for operating such property.

(d) *Stationery and printing.* The cost of stationery and printing used in connection with the operation of grain elevators.

(e) *Other expenses.* The cost of grain used to make up shortage in elevators; rent for and repairs of rented offices; and other operating expenses not otherwise provided for in this account.

**NOTE:** When officers have immediate supervision over grain elevators and other operations their pay, office, and other expenses, also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

§ 10.445 *Producing power sold.* This account shall include the cost of operating power plants, substations, transmission systems and distribution systems, for the production of power sold.

The proportion of the cost assignable to the production of the power sold only shall be included in this account. (See § 10.04-12 *Power plant operations* and § 10.04-14 *Maintaining transmission and distribution systems.*)

This account shall include:

(a) *Superintendence.* The pay of officers directly in charge of power plants, substations, transmission systems and distribution systems; pay of their clerks and office attendants; also the office, traveling, and other expenses of such officers and employees.

(b) *Employees.* The pay of foremen, subforemen, engineers, firemen, electricians, system operators or load dispatchers, dynamo tenders, foremen regulators, regulators and assistants, switchboard men, brush men, oilers, wipers, wiremen, and others engaged in the operation of power plant and substation apparatus and devices.

(c) *Fuel.* The cost of fuel used in the production of power and for heating power plants.

(d) *Other supplies.* The cost of water, lubricants, and other power plant and substation supplies.

(e) *Stationery and printing.* The cost of stationery and printing used in connection with producing power sold.

(f) *Other expenses.* The items of expense not otherwise provided for in this account.

**NOTE:** When officers have immediate supervision over producing power sold and other operations, their pay, office, and other

expenses, as also the pay, office, and other expenses of their assistants, clerks and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

§ 10.446 *Other miscellaneous operations.* This account shall include the operations of facilities such as cold-storage plants; coal-storage plants; cotton-compress plants; wood-preserving plants; ice-supply plants, etc., when the cost of the facilities is includible in the road and equipment accounts and they are operated by the railway companies.

**NOTE:** When officers have immediate supervision over other miscellaneous service and other operations, their pay, office, and other expenses, as also the pay, office, and other expenses of their assistants, clerks, and office attendants, shall be equitably apportioned to the accounts appropriate to the operations over which they have supervision.

§ 10.447 *Operating joint miscellaneous facilities—Dr.* This account shall include the carrier's proportion of such costs as are incurred by others in their operation of joint facilities which are chargeable by them to accounts 442, "Hotels and restaurants," 443, "Grain elevators," 445, "Producing power sold," or 446, "Other miscellaneous operations."

§ 10.448 *Operating joint miscellaneous facilities—Cr.* This account shall include amounts chargeable to others as their proportions of such costs as are incurred by the carrier in its operation of joint facilities which are chargeable by it to accounts 442, "Hotels and restaurants," 443, "Grain elevators," 445, "Producing power sold," or 446, "Other miscellaneous operations."

#### GENERAL

§ 10.450 *General.* The primary accounts included in this general account are designed to show the expenses incurred of a general character not chargeable to the preceding general accounts, such as those for general administration and accounting, and those of the financial, law, real estate, tax, and claim departments.

**NOTE:** Directly assignable organization and administration expenses incident to investments in leased or nonoperating physical property, and in stocks, bonds, and other securities, are chargeable to income account 549, "Maintenance of investment organization."

§ 10.451 *Salaries and expenses of general officers.* This account shall include:



(a) *Salaries.* The pay of all general officers not otherwise provided for, including salaries and fees of receivers and commissions paid to general officers in lieu of salaries.

#### LIST OF OFFICERS

Chairman of the board.  
President.  
Assistant to president.  
Vice president.  
Assistant to vice president.  
Secretary.  
Assistant secretary.  
Transfer agent.  
Treasurer.  
Assistant treasurer.  
Local treasurer.  
Comptroller.  
Assistant comptroller.  
General auditor.  
Auditor.  
Assistant auditor.  
Auditor of revenues.  
Auditor of passenger accounts.  
Assistant auditor of passenger accounts.  
Auditor of freight accounts.  
Assistant auditor of freight accounts.  
Auditor of station accounts.  
Auditor of disbursements.  
Assistant auditor of disbursements.  
Auditor of miscellaneous accounts.  
Assistant auditor of miscellaneous accounts.  
Auditor of coal and coke accounts.  
Freight claim agent.  
Assistant freight claim agent.  
General accountant.  
Real-estate agent.  
Assistant real-estate agent.  
Tax commissioner.

(b) *Expenses.* The traveling and other expenses of officers whose pay is included in this account, including supplies for business cars used by them, cost of running official trains for them, and cost of membership fees and dues in railway and other associations.

**NOTE A:** When officers' duties are restricted to a single department, their salaries and expenses shall be charged to that department in the accounts for superintendence or for law expenses, as may be appropriate. When officers have immediate supervision over more than one department, their salaries and expenses shall be apportioned equitably among the departments over which they have jurisdiction.

**NOTE B:** The pay and expenses of the purchasing agent, assistant purchasing agent, assistant to purchasing agent, general storekeeper, division storekeeper, their clerks and attendants, shall be charged through clearing accounts "Material store expenses" and "Stationery store expenses," or material account "Fuel," as may be appropriate.

§ 10.452 *Salaries and expenses of clerks and attendants.* This account shall include the pay and expenses of clerks and attendants of the officers whose salaries are includible in account 451, "Salaries and expenses of general officers."

(a) *Pay of clerks.* The pay of persons employed in accounting and clerical service.

#### LIST OF EMPLOYEES

Cashiers.	Route agents.
Chief accountants.	Special agents.
Chief clerks.	Stenographers.
Clerks.	Ticket receivers.
Inspectors.	Traveling account
Mail clerks.	ants.
Paymasters.	Traveling auditors.
Postmasters.	

(b) *Pay of attendants.* The pay of persons employed in attendance at general offices and on business cars.

#### LIST OF EMPLOYEES

Bank messengers.	Porters.
Chauffeurs.	Pump men.
Cleaners.	Stablemen.
Cooks.	Superintendent of
Drivers of service	general office
wagons.	building.
Elevator operators.	Telegraph operators
Engineers.	Telephone operators
Firemen.	Ushers.
Janitors.	Walters.
Messengers.	Watchmen.

(c) *Expenses.* The traveling and other expenses of employees designated above, including the cost of supplies for business cars and cost of running official trains for them.

§ 10.453 *General office supplies and expenses.* This account shall include the office expenses of officers designated in account 451, "Salaries and expenses of general officers."

#### ITEMS OF EXPENSE AND SUPPLIES

Alterations of partitions and fixtures in general offices.  
Atlases and maps.  
Books for office use.  
Cable tolls.  
Cleaning.  
Express charges.  
Furniture repairs and renewals.  
Heating.  
Horse keep.  
Lighting.  
Local messenger service.  
Periodicals and newspapers.  
Rent of general offices.  
Rent of tabulating machines.  
Repairs of rented general offices.

Reports of commercial standings.  
 Service of automobiles.  
 Telegraph service.  
 Telephone service.  
 Watchmen service.

**NOTE:** The proportion of general office expenses occasioned by the law department shall be included in account 454, "Law expenses."

**§ 10.454 Law expenses.** This account shall include the pay and the office and other expenses, when not provided for elsewhere, of officers and employees of the law department, the cost of suits, and the payments of special law fees.

#### LIST OF OFFICERS AND EMPLOYEES

General counsel.	Statutory attorney.
General solicitor.	Attorney.
Assistant counsel.	Counsel.
Solicitor.	Law agent.
Commerce counsel.	Clerks.
Commerce agent.	Office attendants.
Special counsel.	

#### ITEMS OF EXPENSE AND SUPPLIES

Arbitrators' services in settlement of disputed questions.  
 Cost of taking depositions.  
 Cost of testimony.  
 Cost of suits.  
 Court bonds.  
 Court expenses.  
 Drawing and recording agreements as to trackage rights, etc.  
 Express charges.  
 Fees and retainers of attorneys (not regular employees).  
 Law books.  
 Legal forms.  
 Legal reports.  
 Membership fees and dues in associations to protect carriers against litigation in respect to patents.  
 Membership fees and dues in law associations.  
 Notarial fees not provided for elsewhere.  
 Office expenses.  
 Printing of briefs, testimony, and reports.  
 Proportion of general office expenses.  
 Rent of offices.  
 Special fees.  
 Telegraph service.  
 Telephone service.  
 Traveling expenses.  
 Witness fees not provided for elsewhere.

**§ 10.455 Insurance.** This account shall include premiums, except reinsurance premiums, for insuring the carrier against loss, through injuries to persons or damage to or destruction or loss of property, whether caused by fire, accident, or other cause, when such loss to the carrier would be chargeable to general account 450, "General"; also pre-

miums on fidelity bonds of officers and employees whose pay is chargeable to general account 450, "General." (See § 10.04-18 *Insurance*.)

**NOTE:** The premiums paid by the carrier to its insurance fund shall be credited to an insurance account, to which account shall be charged the amount of all claims for injuries to persons and damages to the property covered by its insurance. To such account shall also be charged all reinsurance premiums paid to insurance companies, and to it shall be credited all amounts recovered from insurance companies for damage to the property reinsured by them.

**§ 10.456 Relief department expenses.** This account shall include salaries and expenses incurred in connection with conducting relief departments; also contributions to such departments.

**§ 10.457 Pensions and gratuities.** (a) Except as hereafter provided, this account shall include pensions paid currently to retired employees and the expenses incurred solely in connection therewith. It shall also include gratuities paid to the families or heirs of employees; amounts paid currently to insurance companies or to trustees to provide annuities for retired employees (see note); and premiums paid on insurance policies for employees where the carrier is not a beneficiary.

**NOTE:** The initial payments to insurance companies or to trustees for prior services of employees shall be charged to account 621, "Miscellaneous debits."

(b) A carrier may account for pensions on an accrual basis provided it has established a retirement plan whereby it definitely agrees to pay pensions to its retired employees. If the carrier elects to adopt the accrual plan, this account shall be charged and account 769 credited each month with amounts representing benefits currently accruing under the plan and borne by the carrier. Contributions by employees shall be credited direct to account 769. Pension payments shall be charged to account 769. Before adopting the accrual plan for pensions, the carrier shall inform the Commission of the details of its pension plan. No charges shall be made to this account in anticipation of discretionary pension payments in the future.

**§ 10.458 Stationery and printing.** This account shall include the cost of stationery and printing used in general offices and not chargeable to other accounts,

including the cost of printing annual reports, contracts, leases, stock certificates, and passes.

#### STATIONERY AND PRINTING ITEMS

Adding machines.	Paper baskets.
Addressographs and supplies.	Paper clips.
Arm rests.	Paper cutters.
Binders.	Paper fasteners.
Blank books.	Paper files.
Blotters.	Paper weights.
Blotting paper.	Papyrographs.
Bristol board.	Parchment paper.
C a l c u l a t i n g machines.	Passes.
Calendars.	Pay checks.
Carbon paper.	Pencil sharpeners.
Cardboard.	Pencils for writing and drawing.
Cards, blank and printed.	Penholders.
Circulars.	Penracks.
Computing tables.	Pens for writing and drawing.
C o p y (impression) books.	Phonographs and records.
Copying brushes.	Pins.
Copying presses.	Postage.
Crayons.	Punches (not conductors' or bag gagemen's).
Cyclostyles.	Rubber bands.
Dating stamps and ribbons.	Rubber stamps.
Dictaphones.	Rulers.
Dictographs.	Ruling pens.
Drawing paper.	Scrapbooks.
Duplicator.	Sealing wax.
Electric pens.	Seals.
Envelopes.	Shears.
Erasers, rubber and steel.	Shipping tags.
Eyelet punches.	Shorthand note books.
Eyelets.	Sponge cups.
File boxes, paper.	Sponges.
Forms, blank and printed.	Stamps.
Glass pens.	Stamps, impression.
Hectographs.	Stylographs.
Indexes.	Tablets, blank and printed.
Ink for writing and drawing.	Tape.
Inkstands.	Telegraph blanks.
Invoice books.	Tissue (impression paper).
Legal cap paper.	Tracing cloth.
Letter paper.	Tracing paper.
Manifold paper.	Twine.
Manifold pens.	Typewriters and ribbons.
Mimeographs.	Wage tables.
Mucilage.	Wastebaskets.
Mucilage brushes.	Water colors.
Neostyles.	Water holders.
Note paper.	Wrapping paper.
Notices.	Wringers for copying presses.
Numbering stamps.	
Oil paper.	
Paper.	

**NOTE A:** The cost of printing briefs, legal forms, testimony, reports, etc., for the law department is chargeable to account 454, "Law expenses."

**NOTE B:** The cost of printing bonds, etc., in connection with the carrier's funded debt shall be included in balance-sheet account 725, "Discount on funded debt."

§ 10.459 *Valuation expenses.* This account shall include expenses incident to the ascertainment (in accordance with the Act to Regulate Commerce as amended March 1, 1913, or with other Federal or State requirements) of the value of property owned or used by the carrier, such expenses including pay, and office, traveling, and other expenses of officers specially employed or assigned to such work, and of their assistants, clerks, and attendants, and the cost of stationery and printing, and of engineering supplies consumed.

**NOTE:** No charge shall be made to this account for the salaries of officers or of their clerks and attendants for incidental services in connection with valuation work; but special office, clerical, traveling, and incidental expenses incurred by these officers on account of such work shall be included as a part of the cost of the work.

§ 10.460 *Other expenses.* This account shall include incidental general expenses which are not properly chargeable to any of the foregoing accounts.

#### ITEMS OF EXPENSE

Cost of draping buildings.  
Cost of publishing annual reports in newspapers, and other corporate and financial notices of general character.  
Cost of publishing notices of stockholders' meetings and of election of directors.  
Donations on account of catastrophes, epidemics, etc.  
Donations to local fire departments.  
Donations to Y. M. C. A., and similar institutions.  
Exchange on checks cashed or deposited.  
Exchange on drafts bought.  
Fees and expenses paid to directors and trustees.  
Loss through payment of wages to a wrong person.  
Penalties assessed for nonpayment of claims for overcharges.

§ 10.461 *General joint facilities—Dr.* This account shall include the carrier's proportions of general expenses incurred by others incident to maintaining and operating tracks, yards, terminals, and other facilities used jointly.

**NOTE:** The purpose of this account is to show the amount accruing against the carrier for its proportion of the expense of general administration of tracks, yards, terminals and other facilities administered by others, and in the joint use of which the carrier participates. (See § 10.04-9 *Joint facility accounts.*)

§ 10,462 *General joint facilities—Cr.* This account shall include amounts chargeable to others as their proportions of general expenses incurred by the carrier incident to maintaining and operating tracks, yards, terminals, and other facilities used jointly.

NOTE: The purpose of this account is to show the amounts accruing in favor of the carrier and against others for their proportions of the expense of general administration of tracks, yards, terminals, and other facilities administered by the carrier, and in the joint use of which others participate. (See § 10.04-9 *Joint facility accounts.*)

#### CONDENSED CLASSIFICATION OF OPERATING EXPENSES

§ 10.480 *Accounts for small carriers, Class II.* See provisions of § 10.04-1 *Accounts for operating expenses.* The condensed groupings of accounts for Class II small carriers are as follows:

##### *Accounts for Small Carriers—Class II*

##### **Maintenance of Way and Structures**

1201. Superintendence.

1202. Maintaining roadway and track.

1203. Maintaining track structures.

1204. Maintaining ancillary structures.

1204½. Retirements—Road.

1205. Dismantling retired road property.

1206. Equalization—Way and structures.

1208. Deferred maintenance—Way and structures.

1209. Road property—Depreciation.

1210. Injuries to persons.

1211. Other way and structure expense.

1212. Maintaining joint tracks, yards, and other facilities—Dr.

1213. Maintaining joint tracks, yards, and other facilities—Cr.

##### *Accounts for Large Carriers—Class I*

##### **200. Maintenance of Way and Structures**

201. Superintendence.

202. Roadway maintenance.

212. Ties.

214. Rails.

216. Other track material.

218. Ballast.

220. Track laying and surfacing.

272. Removing snow, ice, and sand.

206. Tunnels and subways.

208. Bridges, trestles, and culverts.

210. Elevated structures.

221. Fences, snowsheds, and signs.

247. Communication systems.

249. Signals and interlockers.

227. Station and office buildings.

229. Roadway buildings.

231. Water stations.

233. Fuel stations.

235. Shops and enginehouses.

237. Grain elevators.

239. Storage warehouses.

241. Wharves and docks.

243. Coal and ore wharves.

253. Power plants.

257. Power-transmission systems.

265. Miscellaneous structures.

267. Retirements—Road.

270. Dismantling retired road property.

280. Equalization—Way and structures.

268. Deferred maintenance—Way and structures.

266. Road property—Depreciation.

274. Injuries to persons.

269. Roadway machines.

271. Small tools and supplies.

273. Public improvements—Maintenance.

275. Insurance.

276. Stationery and printing.

277. Other expenses.

281. Right-of-way expenses.

278. Maintaining joint tracks, yards, and other facilities—Dr.

279. Maintaining joint tracks, yards, and other facilities—Cr.

*Accounts for Small Carriers—Class II—Con.***Maintenance of Equipment**

- 1221. Superintendence.
- 1222. Repairs of machinery and other apparatus.
- 1223. Shop and power-plant machinery—Depreciation.
- 1224. Dismantling retired shop and power-plant machinery.
- 1225. Locomotive repairs.
- 1226. Car repairs.
- 1227. Floating equipment—Repairs.
- 1228. Work equipment—Repairs.
- 1229. Miscellaneous equipment—Repairs.
- 1230. Dismantling retired equipment.
- 1231. Retirements—Equipment.
- 1232. Major repairs—Equipment.
- 1233. Equalization—Equipment.
- 1235. Deferred maintenance—Equipment.
- 1236. Equipment—Depreciation.
- 1237. Injuries to persons.
- 1238. Other equipment expenses.
- 1239. Joint maintenance of equipment expenses—Dr.
- 1240. Joint maintenance of equipment expenses—Cr.

**Traffic**

- 1251. Traffic expenses.

**Transportation—Rail Line**

- 1261. Superintendence and dispatching.
- 1262. Station service.
- 1263. Yard enginemen.
- 1264. Other yard employees.
- 1265. Yard switching fuel.
- 1266. Yard switching power.
- 1267. Other yard expenses.
- 1268. Operating joint yards and terminals—Dr.
- 1269. Operating joint yards and terminals—Cr.

*Accounts for Large Carriers—Class I—Con.***300. Maintenance of Equipment**

- 301. Superintendence.
- 302. Shop machinery.
- 304. Power-plant machinery.
- 305. Shop and power-plant machinery—Depreciation.
- 306. Dismantling retired shop and power-plant machinery.
- 308. Steam locomotives—Repairs.
- 311. Other locomotives—Repairs.
- 314. Freight-train cars—Repairs.
- 317. Passenger-train cars—Repairs.
- 323. Floating equipment—Repairs.
- 326. Work equipment—Repairs.
- 328. Miscellaneous equipment—Repairs.
- 329. Dismantling retired equipment.
- 330. Retirements—Equipment.
- 340. Major repairs—Equipment.
- 338. Equalization—Equipment.
- 339. Deferred maintenance—Equipment.
- 331. Equipment—Depreciation.
- 332. Injuries to persons.
- 333. Insurance.
- 334. Stationery and printing.
- 335. Other expenses.
- 336. Joint maintenance of equipment expenses—Dr.
- 337. Joint maintenance of equipment expenses—Cr.

**350. Traffic**

- 351. Superintendence.
- 352. Outside agencies.
- 353. Advertising.
- 354. Traffic associations.
- 355. Fast freight lines.
- 356. Industrial and immigration bureaus.
- 357. Insurance.
- 358. Stationery and printing.
- 359. Other expenses.

**370. Transportation—Rail Line**

- 371. Superintendence.
- 372. Dispatching trains.
- 373. Station employees.
- 374. Weighing, inspection, and demurrage bureaus.
- 375. Coal and ore wharves.
- 376. Station supplies and expenses.
- 380. Yard enginemen.
- 377. Yardmasters and yard clerks.
- 378. Yard conductors and brakemen.
- 379. Yard switch and signal tenders.
- 382. Yard switching fuel.
- 383. Yard switching power produced.
- 384. Yard switching power purchased.
- 385. Water for yard locomotives.
- 386. Lubricants for yard locomotives.
- 387. Other supplies for yard locomotives.
- 388. Enginehouse expenses—Yard.
- 389. Yard supplies and expenses.
- 390. Operating joint yards and terminals—Dr.
- 391. Operating joint yards and terminals—Cr.

*Accounts for Small Carriers—Class II—Con.***Transportation—Rail Line—Continued**

- 1270. Train enginemen.
- 1271. Train fuel.
- 1272. Train power.
- 1273. Other train locomotive supplies and expenses.
- 1274. Trainmen.
- 1275. Train supplies and expenses.
- 1277. Injuries to persons.
- 1278. Loss and damage.
- 1279. Other casualty expenses.
- 1280. Other rail transportation expenses.
- 1281. Operating joint tracks and facilities—Dr.
- 1282. Operating joint tracks and facilities—Cr.

**Miscellaneous Operations**

- 1288. Miscellaneous operations.

**General**

- 1291. Administration.
- 1292. Insurance.
- 1293. Valuation expenses.
- 1294. Other general expenses.
- 1295. General joint facilities—Dr.
- 1296. General joint facilities—Cr.

*Accounts for Large Carriers—Class I—Con.***370. Transportation—Rail Line—Continued**

- 392. Train enginemen.
- 394. Train fuel.
- 395. Train power produced.
- 396. Train power purchased.
- 397. Water for train locomotives.
- 398. Lubricants for train locomotives.
- 399. Other supplies for train locomotives.
- 400. Enginehouse expenses—Train.
- 401. Trainmen.
- 402. Train supplies and expenses.
- 403. Operating sleeping cars.
- 420. Injuries to persons.
- 418. Loss and damage—Freight.
- 419. Loss and damage—Baggage.
- 414. Insurance.
- 415. Clearing wrecks.
- 416. Damage to property.
- 417. Damage to live stock on right of way.
- 404. Signal and interlocker operation.
- 405. Crossing protection.
- 406. Drawbridge operation.
- 407. Communication system operation.
- 408. Operating floating equipment.
- 410. Stationery and printing.
- 411. Other expenses.
- 412. Operating joint tracks and facilities—Dr.
- 413. Operating joint tracks and facilities—Cr.

**440. Miscellaneous Operations**

- 441. Dining and buffet service.
- 442. Hotels and restaurants.
- 443. Grain elevators.
- 445. Producing power sold.
- 446. Other miscellaneous operations.

**450. General**

- 451. Salaries and expenses of general officers.
- 452. Salaries and expenses of clerks and attendants.
- 453. General office supplies and expenses.
- 454. Law expenses.
- 455. Insurance.
- 459. Valuation expenses.
- 456. Relief department expenses.
- 457. Pensions and gratuities.
- 458. Stationery and printing.
- 460. Other expenses.
- 461. General joint facilities—Dr.
- 462. General joint facilities—Cr.

§ 10.490 *Accounts for small carriers, Class III.* See provisions of § 10.04-1 *Accounts for operating expenses.* The condensed groupings of accounts for Class III small carriers are as follows:

*Accounts for Small Carriers—Class III*

Maintenance of Way and Structures

2201. Superintendence.

2202. Roadway maintenance.

2203. Maintaining structures.

2203½. Retirements—Road.

2204. Dismantling retired road property.

2205. Equalization—Way and structures.

2207. Deferred maintenance—Way and structures.

2208. Road property—Depreciation.

2209. Other maintenance of way expenses.

2210. Maintaining joint tracks, yards, and other facilities—Dr.

2211. Maintaining joint tracks, yards, and other facilities—Cr.

Maintenance of Equipment

2221. Superintendence.

2222. Repairs of shop and power-plant machinery.

2223. Shop and power-plant machinery—Depreciation.

2224. Dismantling retired shop and power-plant machinery.

2225. Locomotive repairs.

2226. Car repairs.

2227. Other equipment repairs.

2228. Dismantling retired equipment.

*Accounts for Large Carriers—Class I*

200. Maintenance of Way and Structures

201. Superintendence.

202. Roadway maintenance.

206. Tunnels and subways.

208. Bridges, trestles, and culverts.

210. Elevated structures.

212. Ties.

214. Rails.

216. Other track material.

218. Ballast.

220. Track laying and surfacing.

221. Fences, snowsheds, and signs.

247. Communication systems.

249. Signals and interlockers.

272. Removing snow, ice, and sand.

227. Station and office buildings.

229. Roadway buildings.

231. Water stations.

233. Fuel stations.

235. Shops and enginehouses.

237. Grain elevators.

239. Storage warehouses.

241. Wharves and docks.

243. Coal and ore wharves.

253. Power plants.

257. Power-transmission systems.

265. Miscellaneous structures.

267. Retirements—Road.

270. Dismantling retired road property.

280. Equalization—Way and structures.

268. Deferred maintenance—Way and structures.

266. Road property—Depreciation.

269. Roadway machines.

271. Small tools and supplies.

273. Public improvements—Maintenance.

274. Injuries to persons.

275. Insurance.

276. Stationery and printing.

277. Other expenses.

281. Right-of-way expenses.

278. Maintaining joint tracks, yards, and other facilities—Dr.

279. Maintaining joint tracks, yards, and other facilities—Cr.

300. Maintenance of Equipment

301. Superintendence.

302. Shop machinery.

304. Power-plant machinery.

305. Shop and power-plant machinery—Depreciation.

306. Dismantling retired shop and power-plant machinery.

308. Steam locomotives—Repairs.

311. Other locomotives—Repairs.

314. Freight-train cars—Repairs.

317. Passenger-train cars—Repairs.

323. Floating equipment—Repairs.

326. Work equipment—Repairs.

328. Miscellaneous equipment—Repairs.

329. Dismantling retired equipment.

*Accounts for Small Carriers—Class III—Con.***Maintenance of Equipment—Continued**

- 2229. Retirements—Equipment.
- 2230. Major repairs—Equipment.
- 2231. Equalization—Equipment.
- 2233. Deferred maintenance—Equipment.
- 2234. Equipment—Depreciation.
- 2235. Other equipment expenses.
- 2236. Joint maintenance of equipment expenses—Dr.
- 2237. Joint maintenance of equipment expenses—Cr.

**Traffic**

- 2240. Traffic expenses.

**Transportation—Rail Line**

- 2241. Superintendence and dispatching.
- 2242. Station service.
- 2243. Yard employees.
- 2244. Yard switching fuel
- 2245. Miscellaneous yard expenses.
- 2246. Operating joint yards and terminals—Dr.
- 2247. Operating joint yards and terminals—Cr.
- 2248. Train employees.
- 2249. Train fuel.
- 2251. Other train expenses.
- 2252. Injuries to persons.
- 2253. Loss and damage.

*Accounts for Large Carriers—Class I—Con.***300. Maintenance of Equipment—Continued**

- 330. Retirements—Equipment.
- 340. Major repairs—Equipment.
- 338. Equalization—Equipment.
- 339. Deferred maintenance—Equipment.
- 331. Equipment—Depreciation.
- 332. Injuries to persons.
- 333. Insurance.
- 334. Stationery and printing.
- 335. Other expenses.
- 336. Joint maintenance of equipment expenses—Dr.
- 337. Joint maintenance of equipment expenses—Cr.

**350. Traffic**

- 351. Superintendence.
- 352. Outside agencies.
- 353. Advertising.
- 354. Traffic associations.
- 355. Fast freight lines.
- 356. Industrial and immigration bureaus.
- 357. Insurance.
- 358. Stationery and printing.
- 359. Other expenses.

**370. Transportation—Rail Line**

- 371. Superintendence.
- 372. Dispatching trains.
- 373. Station employees.
- 374. Weighing, inspection, and demurrage bureaus.
- 375. Coal and ore wharves.
- 376. Station supplies and expenses.
- 377. Yardmasters and yard clerks.
- 378. Yard conductors and brakemen.
- 379. Yard switch and signal tenders.
- 380. Yard enginemen.
- 382. Yard switching fuel.
- 383. Yard switching power produced.
- 384. Yard switching power purchased.
- 385. Water for yard locomotives.
- 386. Lubricants for yard locomotives.
- 387. Other supplies for yard locomotives.
- 388. Enginehouse expenses—Yard.
- 389. Yard supplies and expenses.
- 390. Operating joint yards and terminals—Dr.
- 391. Operating joint yards and terminals—Cr.
- 392. Train enginemen.
- 401. Trainmen.
- 394. Train fuel.
- 395. Train power produced.
- 396. Train power purchased.
- 397. Water for train locomotives.
- 398. Lubricants for train locomotives.
- 399. Other supplies for train locomotives.
- 400. Enginehouse expenses—Train.
- 402. Train supplies and expenses.
- 403. Operating sleeping cars.
- 420. Injuries to persons.
- 418. Loss and damage—Freight.
- 419. Loss and damage—Baggage.



*Accounts for Small Carriers—Class III—Con.*  
**Transportation—Rail Line—Continued**

2254. Other casualty expenses.

2255. Other rail transportation expenses.

2256. Operating joint tracks and facilities—  
 Dr.

2257. Operating joint tracks and facilities—  
 Cr.

**Miscellaneous Operations**

2259. Miscellaneous operations.

**General**

2261. Administration.

2262. Insurance.

2263. Valuation expenses.

2264. Other general expenses.

2265. General joint facilities—Dr.

2266. General joint facilities—Cr.

**INCOME, PROFIT AND LOSS, AND GENERAL  
 BALANCE SHEET**

§ 10.05 *General instructions.* The carrier's records shall be kept with sufficient particularity to show fully the facts pertaining to all entries made in the accounts provided herein for income, profit and loss, and general balance sheet. Where the full information is not recorded in the general books, the entries therein shall be supported by other records in which the full details shall be shown. Such general book entries shall contain sufficient reference to the detail records to permit ready identification, and the detail records shall be filed in such manner as to be readily accessible for examination by representatives of the Interstate Commerce Commission.

§ 10.05-1 *General ledger accounts.* When the title and definition of an in-

*Accounts for Large Carriers—Class I—Con.*  
**370. Transportation—Rail Line—Continued**

414. Insurance.

415. Clearing wrecks.

416. Damage to property.

417. Damage to live stock on right of way.

404. Signal and interlocker operation.

405. Crossing protection.

406. Drawbridge operation.

407. Communication system operation.

408. Operating floating equipment.

410. Stationery and printing.

411. Other expenses.

412. Operating joint tracks and facilities—  
 Dr.

413. Operating joint tracks and facilities—  
 Cr.

**440. Miscellaneous Operations**

441. Dining and buffet service.

442. Hotels and restaurants.

443. Grain elevators.

445. Producing power sold.

446. Other miscellaneous operations.

**450. General**

451. Salaries and expenses of general officers.

452. Salaries and expenses of clerks and attendants.

453. General office supplies and expenses.

454. Law expenses.

455. Insurance.

459. Valuation expenses.

456. Relief department expenses.

457. Pensions and gratuities.

458. Stationery and printing.

460. Other expenses.

461. General joint facilities—Dr.

462. General joint facilities—Cr.

come, profit and loss, or general balance-sheet account clearly indicate that it is a summary of other accounts, it is not required that a special ledger account shall be kept under such a title to include the balances from the accounts usually kept in the ledger, but in such case the titles of the subaccounts in the ledger shall give references by numbers, titles, or both, to the income, profit and loss, or general balance-sheet account prescribed herein of which they are subdivisions.

§ 10.05-2 *Leased road and equipment; depreciation.* The carrier shall include in operating expenses charges for depreciation on road property and equipment used but not owned the rent for which is includible in account 542, "Rent for leased roads and equipment," and shall maintain the same records of service lives, salvage values, etc., as provided for owned

road property and equipment. The amount currently to be charged to account 542, "Rent for leased roads and equipment," is the excess of the total compensation over the amount chargeable by the carrier to the depreciation accounts in operating expenses. If settlement between the carrier and the lessor is not currently made, the amount of the depreciation accrued during the period of the lease shall be credited by the carrier to account 779, "Accrued depreciation—Leased property." The necessary adjustments of the difference between the balance thus accrued in that account and the actual amount of settlement shall appropriately be made through account 607, "Miscellaneous credits," or account 621, "Miscellaneous debits," at the time settlement for depreciation on the property is made with the lessor.

The carrier shall not include in the depreciation account in operating expenses any charges for depreciation of equipment used but not owned when the rents therefor are included in the rent for equipment and joint facility rent accounts 503 to 508 and 536 to 541, inclusive.

§ 10.05-3 *Closing general ledger.* Accounts shall be written up, posted to the general ledger and balanced monthly. The final entries for any month shall be made not later than 60 days after the last day of the month for which the accounts are stated, except that the period within which the final entries for the month of December shall be made may be extended to such date in the following March as shall not interfere with the preparation and filing of annual reports as required by paragraph 2 of section 20 of the Interstate Commerce Act.

#### INCOME

##### § 10.06 *Special instructions.*

§ 10.06-1 *Income accounts defined.* Income accounts are those designed to show, as nearly as practicable, for each fiscal period, the total amount of money that a carrier becomes entitled to receive for services rendered, the returns accrued upon investments, the accrued costs paid or payable for the services rendered by it, the losses sustained by it, the amounts accrued for taxes, for use of moneys and for use of properties of others, and the appropriations made from income during the period. The net balance of income (or loss) shall be carried to profit and loss.

§ 10.06-2 *Delayed items.* The carrier shall account for delayed items and adjustments and cancellation of entries recorded in balance-sheet accounts relating to income of former years in accordance with the instructions contained in § 10.02-3 *Delayed items.*

§ 10.06-3 *Unaudited items.* When the amount of any item affecting income cannot be accurately determined in time for inclusion in the accounts of the month in which the transaction occurs, the amount of the item shall be estimated and in such form included in the proper income account with contra entry to the appropriate balance-sheet account. When the item is audited the necessary adjustments shall be made through the accounts in which the estimate was recorded. If, during the interval between the date of inclusion of the item in the accounts and the date on which it is audited, a substantial difference from the initial estimate is determined, appropriate adjustments shall be made in the current accounts to cover such difference. The carrier is not required to anticipate items which would not appreciably affect the accounts.

#### INCOME ACCOUNTS

##### CREDIT

§ 10.501 *Railway operating revenues.* This account shall include the total revenues derived from operations as shown in the primary revenue accounts provided in this part.

§ 10.502 *Revenues from miscellaneous operations.* This account shall include the total revenues derived from the operation of miscellaneous operating physical property, such as that the cost of which is includible in balance-sheet account 705, "Miscellaneous physical property."

NOTE: The income from miscellaneous nonoperating physical property shall be included in account 511, "Income from nonoperating property."

§ 10.503 *Hire of freight cars; credit balance.* This account shall include, except as provided in the texts of accounts 509, "Income from lease of road and equipment," and 542, "Rent for leased roads and equipment," the net credit balance of (a) amounts receivable accrued for the use of the accounting company's freight cars leased or interchanged, and (b) amounts payable accrued for the use of the freight cars of others, leased or interchanged. (See

**§ 10.05-2 *Leased road and equipment; depreciation.***

**NOTE A:** If the net balance is a debit, it shall be included in account 536, "Hire of freight cars—Debit balance."

**NOTE B:** Rent for freight cars included in the lease of road to another company shall be included in account 509, "Income from lease of road and equipment."

**NOTE C:** Rents paid for freight cars used in construction work—train service are chargeable to the cost of the work. (See paragraph (c) of § 10.01-4 *Cost of construction.*)

**§ 10.504 *Rent from locomotives.*** This account shall include, except as provided in the text of account 509, "Income from lease of road and equipment," amounts receivable accrued as rent for the use of the accounting company's locomotives leased or interchanged. (See Note C to account 717, "Interest and dividends receivable.")

**NOTE:** Rent for locomotives included in lease of road to another company shall be included in account 509, "Income from lease of road and equipment."

**§ 10.505 *Rent from passenger-train cars.*** This account shall include, except as provided in the text of account 509, "Income from lease of road and equipment," amounts receivable accrued as rent for the use of the accounting company's passenger-train cars leased or interchanged. (See Note C, to account 717, "Interest and dividends receivable.")

**NOTE:** Rent for passenger-train cars included in lease of road to another company shall be included in account 509, "Income from lease of road and equipment."

**§ 10.506 *Rent from floating equipment.*** This account shall include, except as provided in the text of account 509, "Income from lease of road and equipment," amounts receivable accrued as rent for the use of the accounting company's floating equipment leased or chartered. (See Note C to account 717, "Interest and dividends receivable.")

**NOTE:** Rent from floating equipment included in lease of road to another company shall be included in account 509, "Income from lease of road and equipment."

**§ 10.507 *Rent from work equipment.*** This account shall include, except as provided in the text of account 509, "Income from lease of road and equipment," amounts receivable accrued as rent for the use of the accounting company's work equipment leased or interchanged.

(See Note C to account 717, "Interest and dividends receivable.")

**NOTE:** Rent for work equipment included in lease of road to another company shall be included in account 509, "Income from lease of road and equipment."

**§ 10.508 *Joint facility rent income.*** This account shall include amounts receivable accrued for rent of equipment, tracks, yards, terminals, and other facilities owned or controlled by the accounting company and used jointly with other companies or individuals.

Amounts receivable from other companies in reimbursement for taxes on property jointly used shall be credited to this account.

**NOTE:** The portion of the cost of maintenance, operation, or administration of joint facilities recoverable from others shall be credited to the various joint facility accounts provided for operating expenses. When the compensation for the use of joint facilities is a fixed amount or is based upon a charge per passenger, ton, car, or other unit, it shall be fairly apportioned by the creditor between this account and the appropriate joint facility operating expense accounts.

**§ 10.509 *Income from lease of road and equipment.*** This account shall include the entire amount receivable accrued for the exclusive use of road, tracks, or bridges (including equipment or other railway property covered by the contract) the rented property being owned or controlled by the accounting company, whether payable to the accounting company in cash or disbursed by the lessee on behalf of the accounting company as interest on funded debt, guaranteed dividends on stock, or otherwise. (See Note C to account 717, "Interest and dividends receivable.")

When the lessor company maintains the road and equipment leased, the cost of maintaining the property rented shall be charged to this account, except that when the rent thus receivable for the use of property other than equipment is relatively small and the expense of maintenance is not separable, the entire amount received may be credited to revenue account 142, "Rents of buildings and other property."

If, under the terms of a lease, the deficit, or any portion of it, resulting from the lessee company's operations of the property leased is payable by the lessor company, the amount thus payable shall be charged to this account by the lessor.

**NOTE A:** When taxes on leased property are assumed by the lessor, the accruals of such taxes shall be included in the lessor's account 532, "Railway tax accruals."

**NOTE B:** If property the rent of which is chargeable to account 542, "Rent for leased roads and equipment," is sublet by the accounting company, the rent receivable therefor shall be credited to this account.

**NOTE C:** When specific charges against the lessee are made by the lessor for repairs of equipment which is actually maintained by it the amount of such charges shall be appropriately credited by the lessor to its equipment repair accounts and charged by the lessee to the corresponding accounts.

**§ 10.510 Miscellaneous rent income.** This account shall include such rents of property owned and controlled by the accounting carrier as are not provided for in the foregoing accounts.

To this account shall be charged the cost of maintenance of the property rented, also specific incidental expenses in connection with such property, such as the cost of negotiating contracts, advertising for tenants, fees paid conveyancers, collectors' commissions, and analogous items.

**NOTE A:** If property the rent of which is chargeable to account 543, "Miscellaneous rents," is sublet by the accounting company, the rent receivable therefor shall be credited to this account.

**NOTE B:** Taxes on property the rent of which is creditable to this account shall be charged to account 532, "Railway tax accruals."

**NOTE C:** The rent from property carried in balance-sheet account 705, "Miscellaneous physical property," shall not be included in this account, but in account 511, "Income from nonoperating property."

**NOTE D:** Rent and other income from real estate acquired for new lines or for additions and betterments shall be credited to the appropriate road and equipment accounts until the completion or coming into service of the property.

**§ 10.511 Income from nonoperating property.** This account shall include the net credit balance of the nonoperating revenues or income from, and the expenses (including depreciation, but excluding taxes) of, physical property the cost of which is carried in balance-sheet account 705, "Miscellaneous physical property."

**NOTE A:** Net debit balances in this account shall be shown in red ink.

**NOTE B:** The revenues from the operation of miscellaneous operating physical property shall be included in income account 502, "Revenues from miscellaneous operations," and the expenses of operation shall be in-

cluded in account 534, "Expenses of miscellaneous operations."

**§ 10.512 Separately operated properties; profit.** This account shall include amounts receivable under the terms of agreements or contracts whereby the surplus resulting from the operation by others of properties of other companies having a separate corporate existence is to be paid, in whole or in part, to the accounting company.

In determining the amount receivable by the accounting company, consideration shall be given not only to the operating revenues and operating expenses but also to other items of income or deduction which affect that amount.

**NOTE A:** The amount payable by the operating company shall be charged by it to account 560, "Income transferred to other companies."

**NOTE B:** Dividends or other returns upon securities issued by separately operated companies, and held or controlled by the accounting company, shall be included in accounts 513, "Dividend income"; 514, "Interest income"; or 516, "Income from sinking and other reserve funds," as may be appropriate.

**§ 10.513 Dividend income.** This account shall include dividends declared on railway and other stocks, the income from which is the property of the accounting company, whether such stocks are owned by the accounting company and held in its treasury or deposited in trust, or are controlled through lease or otherwise.

Dividends declared shall not be credited prior to actual collection unless their payment is reasonably assured by past experience, guaranty, anticipated provision, or otherwise. (See Note C to account 717, "Interest and dividends receivable.")

Accruals of guaranteed dividends may be included in this account if their payment is reasonably assured.

**NOTE A:** This account shall not include credits for dividends on stocks issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds.

**NOTE B:** Dividends on stocks of other companies held in sinking or other reserve funds shall be credited to account 516, "Income from sinking and other reserve funds."

**§ 10.514 Interest income.** This account shall include the interest on securities and debenture stock of other

companies, the income from which is the property of the accounting company, whether such securities are owned by the accounting company and held in its treasury or deposited in trust, or are controlled through lease or otherwise.

It shall include also, interest on notes and other evidences of indebtedness and interest on bank balances, open accounts, and other analogous items, including discount on short-term notes. Interest accrued shall not be credited prior to actual collection unless its payment is reasonably assured by past experience, guaranty, anticipated provision, or otherwise. (See Note C to account 717, "Interest and dividends receivable.")

At the option of the accounting company there may be included each year in this account the portion, applicable to the fiscal period, of the amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the discount or premium on securities of other companies owned (other than short-term notes). Amounts thus credited or charged shall be concurrently charged or credited to the account in which the cost of the securities is carried. The discount on short-term notes shall be distributed through equal monthly credits, over the terms of the notes.

**NOTE A:** This account shall not include interest on securities issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds.

**NOTE B:** Interest on securities other than those of the accounting company, and on other assets held in sinking or other reserve funds shall be included in account 516, "Income from sinking and other reserve funds."

**NOTE C:** Discount on bills for material purchased shall be credited to the accounts to which is charged the cost of the material with respect to which the discount is allowed.

**§ 10.516 Income from sinking and other reserve funds.** This account shall include the income accrued on cash, securities, and other assets (not including securities issued or assumed by the accounting company) held in sinking and other reserve funds. (See Note C to account 717, "Interest and dividends receivable.")

At the option of the accounting company there may be included each year in this account the portion, applicable to the fiscal period, of the amount requisite

to extinguish, during the interval between the date of acquisition and the date of maturity, the discount or premium on funded securities held in sinking or other reserve funds. Amounts thus credited or charged shall be concurrently charged or credited to the account in which the cost of the securities is carried.

**NOTE:** Credits to fund reserve accounts representing income on reserve funds shall be concurrently charged to account 552, "Income applied to sinking and other reserve funds."

**§ 10.517 Release of premiums on funded debt.** This account shall include, during each fiscal period, such proportion of the premiums on outstanding funded debt as may be applicable to the period. This proportion shall be determined in accordance with § 10.08-3 *Discount, expense, and premium on funded debt.*

**§ 10.518 Contributions from other companies.** This account shall include amounts received or receivable from other companies or individuals, representing the whole or a part of the net deficit of the accounting company when, under the terms of agreements or contracts, no obligation for subsequent reimbursement is incurred.

In determining the amount receivable by the accounting company, consideration shall be given not only to the operating revenues and operating expenses, but also to other items of income or deduction which affect that amount.

**NOTE:** The amount payable shall be charged by the contributing company to account 545, "Separately operated properties—Loss."

**§ 10.519 Miscellaneous income.** This account shall include all items, not provided for elsewhere, properly creditable to income account during the fiscal period.

**§ 10.520 Delayed income credits.** This account shall include delayed credit items and adjustments for which no provision has previously been made, relating to operating revenues, operating expenses, and income arising during the current year which are applicable to prior years and which are relatively so large that their inclusion in the appropriate accounts of the current year would seriously distort the accounts for the year. (See § 10.02-3 *Delayed items.*)

**NOTE:** All entries in this account shall be made in such detail as will indicate the op-

erating-revenue, operating-expense or income accounts to which they relate.

#### DEBIT

**§ 10.531 *Railway operating expenses.*** This account shall include the total expenses caused by operations, as shown in the primary expense accounts provided in these regulations.

**§ 10.532 *Railway tax accruals.*** This account shall include accruals for taxes of all kinds (including Federal income tax) relating to railway property (including floating equipment, if any), operations, and privileges, whether based upon the valuation of the property, amount of stocks and bonds or other evidences of debt issued or outstanding; gross or net earnings, dividends declared, number of passengers carried, quantity of freight transported, length of line operated or owned, rolling stock operated or owned, or other basis; also taxes for issuing and recording mortgages and trust deeds and for issuing bonds or other evidences of long-term debt.

The taxes on leased property shall be included in this account by the carrier obligated to assume such expenses under the terms of the lease.

**NOTE A:** Taxes on leased property paid by one party to the lease and chargeable to the other party to the lease shall be charged directly to the party bearing the expense and not included in the income account of the party first making payment.

**NOTE B:** Taxes on other than railway property, operations, and privileges shall be charged to account 544, "Miscellaneous tax accruals," when the amount is separable from the taxes chargeable to this account.

**NOTE C:** Special assessments for street and other improvements, and special benefit taxes, such as water taxes and the like, shall be included in operating expense accounts or investment accounts, as may be appropriate.

**NOTE D:** Amounts received in reimbursement of taxes on property jointly used shall be credited to account 508, "Joint facility rent income." Amounts paid in reimbursement of such taxes shall be charged to account 541, "Joint facility rents."

**NOTE E:** Taxes accruing on new lines under construction or on property acquired for the extension of existing lines or for addition or betterment purposes before the facilities are opened for commercial operation or the property acquired becomes available for service shall be charged to road and equipment accounts.

**§ 10.534 *Expenses of miscellaneous operations.*** This account shall include the total expenses caused by the opera-

tion of miscellaneous physical property the cost of which is includible in balance-sheet account 705, "Miscellaneous physical property."

**NOTE:** The expenses of miscellaneous nonoperating physical property shall be included in account 511, "Income from nonoperating property."

**§ 10.535 *Taxes on miscellaneous operating property.*** This account shall include accruals of taxes paid or payable upon miscellaneous operating property, such as that the cost of which is includible in account 705, "Miscellaneous physical property."

**NOTE:** Taxes upon miscellaneous nonoperating physical property shall be included in account 544, "Miscellaneous tax accruals."

**§ 10.536 *Hire of freight cars; debit balance.*** This account shall include, except as provided for in the classification for investment in road and equipment and in the texts of accounts 509, "Income from lease of road and equipment," and 542, "Rent for leased roads and equipment," the net debit balance of (a) amounts receivable accrued for the use of the accounting company's freight cars leased or interchanged, and (b) amounts payable accrued for the use of the freight cars of others, leased or interchanged. (See § 10.05-2 *Leased road and equipment; depreciation.*)

**NOTE A:** If the net balance is a credit, it shall be included in account 503, "Hire of freight cars—Credit balance."

**NOTE B:** Rent for freight cars included in the lease of road to the accounting company shall be included in account 542, "Rent for leased roads and equipment."

**NOTE C:** Interest accrued on equipment obligations shall be charged to account 546, "Interest on funded debt."

**NOTE D:** Rents paid for freight cars used in construction work—train service are chargeable to the cost of the work. (See paragraph (c) of § 10.01-4 *Cost of construction.*)

**§ 10.537 *Rent for locomotives.*** This account shall include amounts payable accrued for the use of the locomotives of others, leased or interchanged, except as provided for in the classification for investment in road and equipment and in the text of account 542, "Rent for leased roads and equipment." (See § 10.05-2 *Leased road and equipment; depreciation.*)

**NOTE A:** The rent for locomotives included in the lease of road to the accounting com-

pany shall be included in account 542, "Rent for leased roads and equipment."

NOTE B: Interest accrued on equipment obligations shall be charged to account 546, "Interest on funded debt."

NOTE C: Rent paid for locomotives used in construction work-train service is chargeable to the cost of the work. (See paragraph (c) of § 10.01-4 *Cost of construction*.)

§ 10.538 *Rent for passenger-train cars.* This account shall include amounts payable accrued for the use of the passenger-train cars of others, leased or interchanged, except as provided for in the classification for investment in road and equipment and in the text of account 542, "Rent for leased roads and equipment." (See § 10.05-2 *Leased road and equipment; depreciation*.)

NOTE A: The rent for passenger-train cars included in the lease of road to the accounting company shall be included in account 542, "Rent for leased roads and equipment."

NOTE B: Interest accrued on equipment obligations shall be charged to account 546, "Interest on funded debt."

§ 10.539 *Rent for floating equipment.* This account shall include amounts payable accrued for the use of the floating equipment of others, leased or chartered, except as provided for in the classification for investment in road and equipment and in the text of account 542, "Rent for leased roads and equipment." (See § 10.05-2 *Leased road and equipment; depreciation*.)

NOTE A: The rent of floating equipment included in the lease of road to the accounting company shall be included in account 542, "Rent for leased roads and equipment."

NOTE B: Interest accrued on equipment obligations shall be charged to account 546, "Interest on funded debt."

§ 10.540 *Rent for work equipment.* This account shall include amounts payable accrued for the use of the work equipment of others, leased or interchanged, except as provided for in the classification for investment in road and equipment and in the text of account 542, "Rent for leased roads and equipment." (See § 10.05-2 *Leased road and equipment; depreciation*.)

NOTE A: The rent for work equipment included in the lease of road to the accounting company shall be included in account 542, "Rent for leased roads and equipment."

NOTE B: Interest accrued on equipment obligations shall be charged to account 546, "Interest on funded debt."

NOTE C: Rent paid for work equipment when used in construction work-train service is chargeable to the cost of the work. (See paragraph (c) of § 10.01-4 *Cost of construction*.)

§ 10.541 *Joint facility rents.* This account shall include amounts payable accrued as rent for equipment, tracks, yards, terminals, and other facilities owned or controlled by other carriers, companies, or individuals, and in the joint use of which the accounting company participates.

Amounts paid or payable by the accounting company in reimbursement for taxes on property jointly used shall be charged to this account.

NOTE: The cost of maintenance, operation, or administration of joint facilities, chargeable to the accounting company, shall be charged to the various joint facility accounts provided for operating expenses. When the compensation for the use of joint facilities is a fixed amount or is based upon a charge per passenger, ton, car, or other unit, it shall be fairly apportioned between this account and the appropriate joint facility operating expense accounts. This apportionment shall be made by the operating company, and shall be followed by the accounting company.

§ 10.542 *Rent for leased roads and equipment.* This account shall include amounts payable accrued as rent for roads, tracks, or bridges (including equipment or other railway property covered by the contract) the property being owned by other companies and held under lease or other agreement by the terms of which exclusive use and control for operating purposes are secured. The entire amount of rent payable by the lessee in accordance with the agreement shall be included in this account, whether paid to the lessor in cash or disbursed by the lessee, on behalf of the lessor, as interest on funded debt, guaranteed dividends on stock, or otherwise. (See § 10.05-2 *Leased road and equipment; depreciation*.)

NOTE A: When taxes on leased property are assumed by the lessee the accruals of such taxes shall be included in the lessee's account 532, "Railway tax accruals."

NOTE B: If, under the terms of a lease, the deficit or any portion of it resulting from the lessee's operation of the property leased is payable by the lessor company, the amount shall be charged to account 509, "Income from lease of road and equipment," by the lessor and credited to this account by the lessee.

NOTE C: If property, the rent of which is chargeable to this account, is sublet by the

accounting company to others, the rent from the sublease shall be credited to account 509, "Income from lease of road and equipment."

**NOTE D:** Payments for the exclusive use of road and equipment maintained by the lessor and used in the accounting company's operations (when considerable in amount and when not provided for in the classifications of operating expenses) shall be divided into two portions: One, representing cost of maintenance shall be charged to the appropriate maintenance accounts and the other, representing rent (amount applicable to the investment in the property), shall be charged to this account.

**NOTE E:** When specific charges against the lessee are made by the lessor for repairs of equipment which is actually maintained by it the amount of such charges shall be appropriately credited by the lessor to its equipment repair accounts and charged by the lessee to the corresponding accounts.

**§ 10.543 Miscellaneous rents.** This account shall include rents payable accrued on property held by the accounting company under lease or other agreement and not properly chargeable to any of the foregoing accounts.

**NOTE A:** This account shall not include rents provided for in the operating expense accounts.

**NOTE B:** If property, the rent of which is chargeable to this account, is sublet by the accounting company to others, the rent from the sublease shall be credited to account 510, "Miscellaneous rent income."

**NOTE C:** Payments for the exclusive use of miscellaneous property maintained by the lessor and used by the accounting company shall be divided into two portions: One, representing the cost of maintenance, shall be charged to the appropriate operating accounts, and the other, representing rent (amount applicable to the investment in the property), shall be charged to this account. The bill rendered by the creditor shall show the distribution of the payments as between maintenance and rent, and such distribution shall be adhered to by the debtor.

**§ 10.544 Miscellaneous tax accruals.** This account shall include all accruals for taxes not provided for elsewhere, such as taxes on securities owned, taxes on income from securities owned, and taxes on miscellaneous nonoperating physical property the cost of which is includible in balance-sheet account 705, "Miscellaneous physical property."

**NOTE A:** When the proper separation of any particular tax is not ascertainable the entire amount shall be included in account 532, "Railway tax accruals."

**NOTE B:** Taxes upon miscellaneous operating property shall be charged to account 535, "Taxes on miscellaneous operating property."

**§ 10.545 Separately operated properties; loss.** This account shall include amounts payable under the terms of agreements or contracts whereby the deficit resulting from the operation by others of properties of other companies having a separate corporate existence is to be paid, in whole or in part, by the accounting company.

In determining the amount payable by the accounting company, consideration shall be given not only to the operating revenues and operating expenses, but also to other items of income or deductions which affect that amount.

**NOTE A:** The amount receivable by the operating company shall be credited by it to account 518, "Contributions from other companies."

**NOTE B:** Dividends or other returns upon securities issued by separately operated companies and held or controlled by the accounting company shall not be included in this account to offset a deficit payable, but in accounts 513, "Dividend income"; or 514, "Interest income," as may be appropriate.

**§ 10.546 Interest on funded debt.** This account shall include the current accruals of interest on all classes of long-term debt, the principal of which is includible in account 755, "Funded debt unmatured"; 755½, "Debt in default"; 756, "Receivers' and trustees' securities"; 756½, "Equipment obligations"; and 757, "Amounts payable to affiliated companies," also interest accruals on debenture stock. This account shall be kept in such form that the interest on debenture stock, on receivers' and trustees' securities, and on other classes of funded debt may be shown separately in the annual report to the Commission.

**NOTE A:** This account shall not include charges for interest on funded debt obligations issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds. (See account 552, "Income applied to sinking and other reserve funds.")

**NOTE B:** When funded debt is incurred for new lines or extensions, or for addition and betterment purposes, the accruals of interest on such funded debt (less interest received on unexpended balances), to the date of completion or coming into service of the property so acquired shall be included in the road and equipment accounts.

**NOTE C:** This account shall be maintained so as to show separately: (a) fixed interest which will be paid, or for which provision for payment will be made, when the interest matures; (b) interest in default; and (c) contingent interest determined to be payable.



§ 10.547 *Interest on unfunded debt.* This account shall include interest accrued on unfunded debt, such as short-term notes payable on demand or having dates of maturity one year or less from dates of issue, and open accounts including discount and expense on demand and short-term loans, interest on receipts outstanding for installments paid on capital stock, interest on deferred payments for public improvements, and other analogous items. The discount on short-term notes, if of a considerable amount, shall be distributed through equal monthly charges, over the term of the notes.

**NOTE:** When short-term notes or other evidences of unfunded indebtedness are issued for new lines or extensions or for addition and betterment purposes the accrual of interest to the date of completion or coming into service of the property shall be included in the road and equipment accounts.

§ 10.548 *Amortization of discount on funded debt.* This account shall be charged during each fiscal period with the proportion of the discount and expense on funded debt obligations applicable to that period. This proportion shall be determined according to a rule the uniform application of which through the interval between the date of sale and the date of maturity will extinguish the discount and expense on funded debt. The charge to this account for any period must not be either greater or less than the proportion of the balance remaining unamortized applicable to that period so long as any portion of the discount and expense remains unextinguished, except that if the total discount and expense applicable to any particular issue of securities does not exceed \$25,000, the entire amount may be charged to this account at time of issue. (See § 10.08-3 *Discount expense and premium on funded debt.*)

§ 10.549 *Maintenance of investment organization.* This account shall include the directly assignable organization and administration expenses of the accounting company which are incident to its investments in leased or nonoperating physical property, and in stocks, bonds, or other securities.

#### ITEMS OF EXPENSE

Advertising annual reports (lessor companies only).

Calls for bonds in accordance with sinking fund provisions of mortgages.

Directors' fees.

Printing and mailing dividend checks.

Publishing and mailing annual reports and other corporate statements to shareholders. Publishing notices of declaration of dividends.

Law expenses.

Office expenses.

Salaries of officers, clerks, and attendants.

Stationery and printing.

**NOTE:** Organization and administration expenses incident to railway operation are provided for in operating expense general account 450, "General."

§ 10.550 *Income transferred to other companies.* This account shall include the whole or any portion of the income of the accounting company payable to another company under the terms of agreements or contracts without obligation for reimbursement.

In determining the amount payable by the accounting company, consideration shall be given not only to operating revenues and operating expenses, but also to other items of income or deduction which affect that amount.

**NOTE A:** The amount receivable by the other company shall be credited by it to account 512, "Separately operated properties—Profit."

**NOTE B:** Dividends or other payments upon securities issued or assumed by the accounting company shall not be included in this account.

§ 10.551 *Miscellaneous income charges.* This account shall include interest charges not provided for elsewhere, such as interest on tax deficiencies, overcharge claims, and court awards; also income tax upon the interest on the accounting company's funded debt when assumed by it; and other income deductions not provided for elsewhere.

§ 10.552 *Income applied to sinking and other reserve funds.* This account shall include amounts applied to sinking and other reserve funds from income, whether definite appropriations from income; allotments or payments of definite amounts from income under the terms of mortgages, deeds of trust, or other contracts that provide for such allotments or payments; or accretions representing interest or other returns accrued on the contents of such funds and required to be retained therein.

**NOTE A.** The amounts charged to this account shall be concurrently credited to account 785, "Earned surplus—Appropriated."

**NOTE B:** Similar appropriations made from surplus shall be charged to profit and loss account 613, "Surplus applied to sinking and other reserve funds."

**§ 10.553 Dividend appropriations of income.** This account shall include amounts definitely declared payable from the income of the fiscal period, as dividends on actually outstanding capital stock issued or assumed by the accounting company, other than debenture stock. (See definition of the several classes of capital stock in balance-sheet account 751, "Capital stock.") If a dividend is not payable in cash the consideration shall be described in the entry with sufficient particularity to identify it.

This account shall be subdivided so as to show separately the dividends on the various subclasses of capital stock.

**NOTE A:** Interest accrued on debenture stock shall be charged to account 546, "Interest on funded debt."

**NOTE B:** This account shall not include charges for dividends on capital stock issued or assumed by the accounting company and owned by it, whether pledged as collateral, or held in its treasury, in special deposits, or in sinking or other reserve funds. (See account 552, "Income applied to sinking and other reserve funds.")

**NOTE C:** This account shall be used when the appropriations are definitely made chargeable to income. Similar appropriations made from surplus shall be charged to profit and loss account 614, "Dividend appropriations of surplus."

**§ 10.554 Income appropriated for investment in physical property.** This account shall include amounts definitely appropriated from income to be applied for the construction or acquisition of new lines and extensions and of additions to and betterments of property the cost of which is chargeable to road and equipment accounts or applied for the construction or acquisition of property the cost of which is includible in balance-sheet account 705, "Miscellaneous physical property."

Records of the accounting carrier shall be so kept that the appropriations charged to this account for any fiscal period may be distinguished as relating to (a) amounts expended during preceding fiscal periods, (b) amounts expended during the current fiscal period, and (c) amounts held in reserve.

The records shall also show separately appropriations for investment in road and equipment and for investment in miscellaneous physical property.

**NOTE A:** Similar appropriations made from surplus shall be charged to profit and loss account 615, "Surplus appropriated for investment in physical property."

**NOTE B:** The amounts charged to this account shall be concurrently credited to account 785, "Earned surplus—Appropriated."

**§ 10.555 Stock discount extinguished through income.** This account shall include amounts definitely appropriated from income to reduce or extinguish the amount of discount on capital stock issued by the accounting company. (See balance-sheet account 754, "Discount on capital stock.")

**NOTE:** Similar appropriations made from surplus shall be charged to profit and loss account 616, "Stock discount extinguished through surplus."

**§ 10.556 Miscellaneous appropriations of income.** Except as provided in account 552, "Income applied to sinking and other reserve funds," this account shall include amounts definitely appropriated from income for the discharge of the principal (less the discount, if any, suffered at the time of sale) of any indebtedness incurred in the acquisition or improvement of property carried in the road and equipment accounts; also amounts similarly appropriated to provide a reserve for doubtful accounts, and for other purposes not provided for elsewhere.

**NOTE A:** Similar appropriations made from surplus shall be charged to profit and loss account 618, "Miscellaneous appropriations of surplus."

**NOTE B:** The amounts charged to this account shall be concurrently credited to account 785, "Earned surplus—Appropriated."

**§ 10.557 Delayed income debits.** This account shall include delayed debit items and adjustments for which no provision has previously been made, relating to operating revenues, operating expenses, and income arising during the current year which are applicable to prior years, and which are relatively so large that their inclusion in the appropriate accounts of the current year would seriously distort the accounts for the year. (See § 10.02-3 *Delayed items*.)

**NOTE:** All entries in this account shall be made in such detail as will indicate the operating-revenue, operating-expense or income accounts to which they relate.

**§ 10.560 Form of income statement.** The classified form of income statement is designed to show the financial changes

resulting from transportation operations and other business of the accounting company during any specified period.

#### OPERATING INCOME

##### *Railway operating income*

501. Railway operating revenues <sup>1</sup> .....	—
531. Railway operating expenses <sup>1</sup> .....	—
Net revenue from railway operations <sup>2</sup> .....	—
532. Railway tax accruals <sup>1</sup> .....	—
Railway operating income <sup>2</sup> .....	—

##### *Rent income*

503. Hire of freight cars—Credit balance.....	—
504. Rent from locomotives.....	—
505. Rent from passenger-train cars.....	—
506. Rent from floating equipment.....	—
507. Rent from work equipment.....	—
508. Joint facility rent income.....	—
Total rent income.....	—

##### *Rents payable*

536. Hire of freight cars—Debit balance.....	—
537. Rent for locomotives.....	—
538. Rent for passenger-train cars.....	—
539. Rent for floating equipment.....	—
540. Rent for work equipment.....	—
541. Joint facility rents.....	—
Total rents payable.....	—
Net rents <sup>2</sup> .....	—
Net railway operating income <sup>2</sup> .....	—

#### OTHER INCOME

502. Revenues from miscellaneous operations.....	—
509. Income from lease of road and equipment.....	—
510. Miscellaneous rent income.....	—
511. Income from nonoperating property.....	—
512. Separately operated properties—Profit.....	—
513. Dividend income.....	—
514. Interest income.....	—
516. Income from sinking and other reserve funds.....	—
517. Release of premiums on funded debt.....	—
518. Contributions from other companies.....	—
519. Miscellaneous income.....	—
520. Delayed income credits.....	—
Total other income.....	—
Total income <sup>2</sup> .....	—

#### MISCELLANEOUS DEDUCTIONS FROM INCOME

534. Expenses of miscellaneous operations.....	—
535. Taxes on miscellaneous operating property.....	—
543. Miscellaneous rents.....	—

544. Miscellaneous tax accruals.....	—
545. Separately operated properties—Loss.....	—
549. Maintenance of investment organization.....	—
550. Income transferred to other companies.....	—
551. Miscellaneous income charges.....	—
557. Delayed income debits.....	—
Total miscellaneous deductions.....	—
Income available for fixed charges <sup>2</sup> .....	—

#### FIXED CHARGES

542. Rent for leased roads and equipment.....	—
546. Interest on funded debt:	—
(a) Fixed interest not in default.....	—
(b) Interest in default.....	—
547. Interest on unfunded debt.....	—
548. Amortization of discount on funded debt.....	—
Total fixed charges.....	—
Income after fixed charges <sup>2</sup> .....	—

#### OTHER DEDUCTIONS

546. Interest on funded debt:	—
(c) Contingent interest.....	—
552. Income applied to sinking and other reserve funds:	—
(a) Increments to special funds required to be retained therein and not subject to withdrawal except for purposes of the funds.....	—
Total other deductions.....	—
Net income after fixed charges and other deductions <sup>2</sup> .....	—

#### DISPOSITION OF NET INCOME

552. Income applied to sinking and other reserve funds:	—
(b) Income applied to capital funds under Governmental authority or other arrangements.....	—
(c) Appropriations, allotments, and payments from income of definite amounts to special funds not includible in 552 (a) or 552 (b).....	—
553. Dividend appropriations of income.....	—
554. Income appropriated for investment in physical property.....	—
555. Stock discount extinguished through income.....	—
556. Miscellaneous appropriations of income.....	—
Total appropriations of income.....	—
602. Balance of income transferred to Earned Surplus <sup>2</sup> .....	—

#### SUPPLEMENTARY STATEMENT OF SPECIFIED INCOME ITEMS

Net railway operating income.....	—
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<sup>1</sup> Includes operations of water lines, if any.

<sup>2</sup> If a loss the amount shall be shown in red.

Add depreciation—Way and structures	—	—
Add depreciation—Equipment	—	—
Add amortization of defense projects—Road	—	—
Add amortization of defense projects—Equipment	—	—
Net railway operating income before depreciation and amortization of defense projects	—	—
Net income	—	—
Add Federal income taxes	—	—
Net income before Federal income taxes	—	—
Net income	—	—
Add depreciation—Way and structures	—	—
Add depreciation—Equipment	—	—
Add amortization of defense projects—Road	—	—
Add amortization of defense projects—Equipment	—	—
Add Federal income taxes	—	—
Net income before depreciation, amortization of defense projects, and Federal income taxes	—	—

#### PROFIT AND LOSS

§ 10.07 *Special instructions.* This group of accounts forms the connecting link between the income accounts and general balance sheet account 786, "Earned surplus — Unappropriated." They are designed to show the changes in earned surplus during each fiscal period as affected by the balance of the income accounts as reported for the period; by any disposition of earned surplus made at the option of the carrier; and by miscellaneous gains and losses not accounted for elsewhere.

#### PROFIT AND LOSS ACCOUNTS

##### CREDIT

§ 10.601 *Credit balance (at beginning of calendar year).* This account shall include the net credit balance in the earned surplus account at the beginning of the calendar year.

§ 10.602 *Credit balance transferred from income.* This account shall show the net credit balance brought forward from the income account for the calendar year.

§ 10.607 *Miscellaneous credits.* This account shall include amounts, not provided for elsewhere, transferred from other accounts to profit and loss, and amounts representing increases of resources not properly assignable to the income accounts. Among the items which shall be included in this account are:

Adjustments or cancellations of balance-sheet accounts, relating to profit and loss accounts,

Cancellation of balance-sheet accounts representing unclaimed wages and vouchered accounts written off because of carrier's inability to locate the creditor.

Profit from the sale of land carried in account 701, "Road and equipment property" (see § 10.01-10 *Land retired*),

Profit derived from the sale of investment securities,

Profit derived from the sale of property carried in balance-sheet account 705, "Miscellaneous physical property,"

Credits resulting from adjustments required to bring to par funded debt securities issued or assumed by the accounting company and reacquired at a cost less than the par value,

Unreleased premiums on funded debt reacquired before maturity (see § 10.08-3 *Discount, expense, and premium on funded debt*).

Collection of old accounts previously written off to profit and loss.

##### DEBIT

§ 10.611 *Debit balance (at beginning of calendar year).* This account shall include the net debit balance in the earned surplus account at the beginning of the calendar year.

§ 10.612 *Debit balance transferred from income.* This account shall show the net debit balance brought forward from the income account for the calendar year.

§ 10.613 *Surplus applied to sinking and other reserve funds.* This account shall include amounts definitely appropriated from earned surplus and applied to sinking and other reserve funds; and allotments or payments of definite amounts from earned surplus into sinking and other reserve funds under the terms of mortgages, deeds of trust, or other contracts that provide for such allotments or payments.

**NOTE A:** The amounts charged to this account shall be concurrently credited to account 785, "Earned surplus—Appropriated."

**NOTE B:** Similar appropriations made from income shall be charged to income account 552, "Income applied to sinking and other reserve funds."

§ 10.614 *Dividend appropriations of surplus.* This account shall include amounts definitely declared payable from earned surplus as dividends on ac-

tually outstanding capital stock issued or assumed by the accounting company, other than debenture stock. (See definition of the several classes of capital stock in balance-sheet account 751, "Capital stock.") If a dividend is not payable in cash the consideration shall be described in the entry with sufficient particularity to identify it.

This account shall be subdivided so as to show separately the dividends on the various subclasses of capital stock.

**NOTE A:** Interest accrued on debenture stock shall be charged to income account 546, "Interest on funded debt."

**NOTE B:** This account shall not include charges for dividends on capital stock issued or assumed by the accounting company and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or in sinking or other reserve funds. (See account 613, "Surplus applied to sinking and other reserve funds.")

**NOTE C:** Similar appropriations made from income shall be charged to income account 553, "Dividend appropriations of income."

§ 10.615 *Surplus appropriated for investment in physical property.* This account shall include amounts definitely appropriated from earned surplus, to be applied for the construction or acquisition of new lines and extensions and of additions to and betterments of property the cost of which is includible in the road and equipment accounts or applied for the construction, acquisition, or improvement of property the cost of which is includible in balance-sheet account 705, "Miscellaneous physical property."

Records of the accounting carrier shall be so kept that the appropriations charged to this account for any fiscal period may be distinguished as relating to (a) amounts expended during preceding fiscal periods, (b) amounts expended during the current fiscal period, and (c) amounts held in reserve.

**NOTE A:** Similar appropriations made from income shall be charged to income account 554, "Income appropriated for investment in physical property."

**NOTE B:** The amounts charged to this account shall be concurrently credited to account 785, "Earned surplus—Appropriated."

§ 10.616 *Stock discount extinguished through surplus.* This account shall include amounts definitely appropriated from earned surplus to reduce or extinguish the amount of discount on capital stock issued by the accounting company. (See § 10.08-2 *Discount, premium, and assessment on capital stock.*)

**NOTE:** Similar appropriations made from income shall be charged to income account 555, "Stock discount extinguished through income."

§ 10.618 *Miscellaneous appropriations of surplus.* This account shall include amounts definitely appropriated from earned surplus to provide a reserve for doubtful accounts and, except as provided in account 613, "Surplus applied to sinking and other reserve funds," for the discharge of the principal (less the discount, if any, suffered at the time of sale) of any indebtedness incurred in the acquisition or improvement of property carried in the road and equipment accounts; also other amounts appropriated from surplus and not provided for elsewhere.

**NOTE A:** Similar appropriations made from income shall be charged to income account 556, "Miscellaneous appropriations of income."

**NOTE B:** The amounts charged to this account shall be concurrently credited to account 785, "Earned surplus—Appropriated."

§ 10.621 *Miscellaneous debits.* This account shall include amounts, not provided for elsewhere, chargeable to profit and loss from other accounts, amounts written off in consequence of adjustments, and payments not properly chargeable to the income accounts. Among the items which shall be charged to this account are:

Adjustments or cancellations of balance-sheet accounts, relating to profit and loss accounts,

Losses resulting from the sale of investment securities,

Losses resulting from the sale, destruction, or abandonment of property carried in balance-sheet account 705, "Miscellaneous physical property,"

Debits resulting from adjustments required to bring to par funded debt securities issued or assumed by the accounting company and reacquired at a cost exceeding the par value,

Adjustments of the difference between the ledger value of land credited to account 701, "Road and equipment property," and the estimated value thereof charged to account 705, "Miscellaneous physical property" (see § 10.01-10 *Land retired*),

Loss from the sale of land carried in account 701, "Road and equipment property" (see § 10.01-10 *Land retired*),

Discount on capital stock remaining unextinguished at the time of its reac-

quisition, resale, or retirement if in excess of the pro rata portion includible in unearned surplus.

Unextinguished discounts on funded debt reacquired before maturity,

Payments of old accounts previously written off to profit and loss,

Penalties and fines for violation of the Interstate Commerce Act, or other Federal laws, when not specifically provided for elsewhere.

#### GENERAL BALANCE SHEET

##### § 10.08 *Special instructions.*

§ 10.08-1 *Balance sheet accounts.* Balance sheet accounts are intended to disclose the financial condition of the carrier as of a given date by showing the assets, liabilities, capital stock, and related items and surplus or deficit of the carrier.

§ 10.08-2 *Discount, premium, and assessment on capital stock.* Separate ledger accounts shall be provided for each subclass of capital stock issued or assumed by the accounting company to cover discount suffered and premium realized at the sale or resale of capital stock. General levies or assessments against stockholders shall be credited to the appropriate ledger accounts for the subclass of capital stock against which the levy or assessment is made.

The total of net debit balances in these ledger accounts shall be included in account 754, "Discount on capital stock," and the total of net credit balances in account 753, "Premiums and assessments on capital stock."

By the term "discount" is meant the excess of the par value of stocks issued or assumed, plus dividends declared and accrued at the date of sale, over the money value of the consideration received at their sale.

By the term "premium" is meant the excess of the money value of the consideration received at the sale of stocks over the sum of their par value and dividends declared and accrued at the date of sale.

Discount on each subclass of capital stock may be offset or reduced by charges to account 753, "Premiums and assessments on capital stock," to the extent that net gains from premiums or assessments have been included therein or to subaccount 784.1, "Paid-in surplus," to the extent that net gains from reacquisition and resale or retirement of capital stock applicable to such subclass have

been included therein. Any remaining discount may be amortized by charges to account 555, "Stock discount extinguished through income"; account 616, "Stock discount extinguished through surplus"; or discount may be retained and carried in account 754, "Discount on capital stock," until the stock to which the discount applies is retired.

In case the accounting company is permitted and elects with the approval of the Commission, to distribute all or any part of the net balance of paid-in surplus to its stockholders, the amount thus distributed shall be charged to subaccount 784.1, "Paid-in surplus."

When an issue of capital stock, or any part thereof, is reacquired either by purchase or through donations by shareholders, and is not canceled, it shall be charged at its par value or if stock without par value at the proportionate amount at which the particular class of stock is included in account 751, "Capital stock," account 703, "Sinking funds"; 704, "Capital and other reserve funds"; 721, "Insurance and other funds"; 728, "Securities issued or assumed—Unpledged"; or 729, "Securities issued or assumed—Pledged," as may be appropriate.

The difference between the amount at which such reacquired stock was recorded in account 751, "Capital stock," and the amount paid by the accounting company for such stock, including any premium or discount applicable to such subclass carried in account 753, "Premiums and assessment on capital stock," or in account 754, "Discount on capital stock," and the commissions and expense in connection with its reacquisition shall be included in subaccount 784.1, "Paid-in surplus"; *Provided, however,* That the excess of a debit over the amount of accumulated net gains applicable to such subclass included in paid-in surplus shall be charged to account 621, "Miscellaneous debits."

When reacquired capital stock is resold the difference between the amount at which such stock is included in a particular asset account and the net sale price realized when resold shall be included in subaccount 784.1, "Paid-in surplus"; *Provided, however,* That the excess of a debit over the amount of accumulated net gains applicable to each subclass of capital stock resold included in paid-in surplus shall be charged to account 621, "Miscellaneous debits."

In no case shall discount on capital stock be charged to or included in any

account as a part of the cost of acquiring property or as a part of the cost of operation.

**§ 10.08-3 *Discount, expense, and premium on funded debt.*** Ledger accounts shall be provided to cover the discounts, expense, and premiums at the sale or resale of each subclass of funded debt and of receivers' and trustees' securities issued for the benefit of or assumed by the company. For explanation of "subclass" see account 755. "Funded debt unmatured."

By the term "discount" is meant the excess of the par value of funded debt securities (of whatever kind) issued or assumed, and the accrued interest thereon, over the actual cash value of the consideration received for such securities.

By the term "premium" is meant the excess of the actual cash value of the consideration received for funded debt securities (of whatever kind) issued or assumed over the par value of such securities and the accrued interest thereon.

By the term "expense" is meant all expense in connection with the issue and sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees for issuing or recording mortgages and trust deeds; cost of engraving and printing bonds, certificates of indebtedness, and other negotiable paper having a life of more than one year; fees paid trustees provided for in mortgages and trust deeds; fees paid for legal services to trustees relative to mortgage securities; fees and commissions paid underwriters and brokers for marketing such evidences of debt; and other like expense except taxes for issuing or recording mortgages and trust deeds and for issuing bonds or other evidences of long term debt which shall be charged to account 532, "Railway tax accruals."

The total of the net debit balances remaining in these several accounts should be included in account 725, "Discount on funded debt," and the total of the net credit balances in account 772, "Premium on funded debt."

Each fiscal period there shall be charged to income account 548, "Amortization of discount on funded debt," a proportion (based upon the ratio of such fiscal period to the remaining life of the respective securities reckoned from the beginning of the period to the date of maturity of the debt to which the charges relate) of each of the debit balances in these accounts, and corre-

spondingly there shall be credited to income account 517, "Release of premiums on funded debt," a similar proportion of each of the credit balances in these accounts. When the total discount and expense applicable to any particular issue of securities does not exceed \$25,000, carriers may charge the entire amount to account 548, "Amortization of discount on funded debt," at time of issue.

When any funded debt which has been actually issued to bona fide holders for value is reacquired by the accounting company, that proportion of the balance remaining in the accounts containing discount, expense, and premium on funded debt for the subclass of the security reacquired applicable to the portion reacquired shall be credited or charged thereto, as may be appropriate, and concurrently charged or credited to profit and loss. Such proportion shall be based upon the ratio of the par value of the security reacquired to the par value of all the securities of the subclass actually outstanding immediately before such reacquirement.

In case, however, the premium realized or discount suffered at the prior sale of the securities reacquired has been included (in excess of the amount authorized in the text of road and equipment account 76, "Interest during construction") in an asset account other than the premiums and discounts account, such asset account shall be concurrently adjusted through profit and loss to the extent of such excess of the premium or discount previously included therein with respect to the securities reacquired.

Except as provided for in road and equipment account 76, "Interest during construction," no discount and expense on funded debt shall be charged to or included in any account as a part of the cost of acquiring any property, tangible or intangible, or as a part of the cost of operation.

**§ 10.08-4 *Contingent assets and liabilities.*** Contingent assets and liabilities shall not be included in the body of the balance-sheet statement, but shall be shown in detail in a supplementary statement accompanying the balance-sheet statement. Contingent assets are those without value to the accounting company until the fulfillment of conditions regarded as uncertain. Contingent liabilities include items which may, under certain conditions, become obligations of the company, but are neither

direct nor assumed obligations on the date of the balance sheet.

**§ 10.08-5 Book value of securities owned.** (a) The investment in securities other than those issued or assumed by the accounting company shall be recorded in these accounts at the money value, at the time of acquisition, of the consideration given therefor by the accounting company, but excluding amounts paid for accrued interest and accrued dividends. The accounting company shall write down the ledger value of any securities to the extent of impairment in their value. Fluctuations in market value shall not be recorded however. Securities shall be written down to reflect anticipated loss in value or written off entirely if there be no reasonable prospect of realizing any value whatever therefrom. Adjustments in the ledger values of securities shall not be delayed beyond the year in which a loss is claimed for income tax purposes. In accordance with paragraph (c) of this section carriers may create reserves from surplus to cover such reductions in value. Under no circumstances shall the investment in the securities be stated in these accounts at an amount in excess of their cost to the accounting company.

(b) The amount of the adjustment shall be charged to account 621, "Miscellaneous debits."

(c) Carriers may create reserves from surplus to provide for depreciation in the value of securities owned and recorded in accounts 706, "Investments in affiliated companies," and 707, "Other investments," by charges to account 621, "Miscellaneous debits." See account 707½, "Reserve for adjustment of investment in securities."

**§ 10.08-6 Income from sinking fund assets.** Accrued interest on uninvested sinking fund cash on deposit in banks or trust companies, and accrued interest and other income arising from stocks, bonds, or other assets held in sinking and reserve funds shall be credited to account 516, "Income from sinking and other reserve funds," and when required by the mortgage or other provision to be held in the funds shall be charged, according to the character of the funds, to account 703, "Sinking funds," or to account 721, "Insurance and other funds," and concurrently, if a reserve is required, an equal amount shall be

charged to income account 552, "Income applied to sinking and other reserve funds," and credited to account 785, "Earned surplus—appropriated."

**§ 10.08-7 Current assets.** In the group of accounts designated as current assets (accounts 708 to 719, inclusive) shall be included cash, those assets which are readily convertible into cash or are held for current use in operations, current claims against others and amounts accruing to the carrier which are subject to current settlement. There shall not be included in this group of accounts any item the collection of which is not reasonably assured by the known financial condition of the debtor. Items of current character but of doubtful value previously credited to operating revenue, operating expense or income accounts shall be written down or written off by charging those accounts. If there has been any impairment in value, such items shall be included in account 722, "Other deferred assets," at an amount not in excess of a reasonable estimate of future value. If it is desired to retain a record of assets written off they shall be recorded at a nominal value in account 722, "Other deferred assets."

**§ 10.08-8 Joint liabilities.** The accounting company shall state as a liability in its balance sheet the difference between the total par value of securities jointly or severally issued by it and others and the portion of such liability which, under the joint arrangement, it is expected will be liquidated by the other party or parties to the joint arrangement. The amount of the jointly or severally issued securities it is expected will be liquidated by the other party or parties shall be shown as a contingent liability in accordance with **§ 10.08-4 Contingent assets and liabilities.**

**§ 10.08-9 Surplus.** Records shall be maintained in such manner as to show two major divisions of surplus:

1. Unearned surplus.
2. Earned surplus.

Unearned surplus and earned surplus shall be segregated and clearly differentiated, and no transfer shall be made from the former to the latter, either directly by credits to earned surplus representing gains on transactions in the accounting company's own capital stock,



or indirectly by charges against unearned surplus to cover losses, write-downs, chargeoffs, or dividend distributions unless specifically allowed and approved by the Commission.

The carrier shall maintain account 784, "Unearned surplus"; account 785, "Earned surplus—appropriated"; and account 786, "Earned surplus—unappropriated." Surplus shall be segregated so far as practicable, into "Unearned surplus," "Earned surplus—appropriated," and "Earned surplus—unappropriated," and any unsegregated balance shall be included in a subaccount under account 786, "Earned surplus—unappropriated."

#### GENERAL BALANCE SHEET ACCOUNTS

##### DEBIT

**§ 10.701 Road and equipment property.** This account, except in connection with the acquisition of transportation property as provided for in accounts 701½A, "Acquisition adjustment" and 702½B, "Donations and grants," shall include the accounting company's investment in road and equipment (including that held under contract for purchase), used or held for use as transportation property in existence at the date of the balance sheet.

When property is retired from service this account shall be credited with the ledger value of the property retired. (See § 10.01-6 *Items to be credited.*)

**NOTE A:** This account shall not include any items representing titles to securities.

**NOTE B:** When any equipment is acquired under an agreement which provides that the cost shall be paid in installments, the cost (its money value at time of purchase) shall be charged to the appropriate road and equipment accounts at the time the equipment is delivered to the carrier, and included in this account in the same manner as the cost of equipment purchased outright. When the par value of notes or other securities issued in payment, or in part payment, for such equipment is more (or less) than the actual cash value of the equipment at the time of the purchase, or of the proportion to which the securities are applicable, the difference between the par value of the securities and the actual cash value of the equipment, or of the proportion paid for by the securities, shall be charged (or credited) to the proper discount and premium accounts.

**NOTE C:** Held for use, as referred to above, implies the ability of the carrier to substantiate by plans or policy its characterization of the probable future use which is to be made of the property within a reasonable period of time.

**§ 10.702 Improvements on leased property.** This account, except in connection with the acquisition of transportation property as provided for in accounts 702½A, "Acquisition adjustment" and 702½B, "Donations and grants," shall include the cost of improvements made by the lessee to property which is held under lease from others or through control of the company owning the property, where such improvements are used by the lessee in transportation service, and the lessee is not to be reimbursed by the lessor for such improvements.

When the cost of improvements made by the lessee is to be refunded by the lessor periodically during the term of the lease agreement or at the termination thereof, and provided further that in the meantime the lessor company does not include the cost of such improvements in account 701, "Road and equipment property," the lessee shall include the cost thereof in this account.

When leased property is retired from service this account shall be credited with the ledger value of any improvements thereto the cost of which has been included in this account, and also with the amount representing the liability of the carrier to the lessor or owner for any property retired that has been used in transportation service and was held under lease or through control of the company owning the property.

The carrier's records shall be kept in such manner as to show the debits and credits to this account in accordance with the provisions for road and equipment.

**NOTE A:** This account shall not include any items representing titles to securities.

**NOTE B:** When the lessor company includes in account 701, "Road and equipment property," the cost of improvements made by the lessee to property leased by it from the lessor and settlement is not made at the time for the cost thereof, the lessee, pending settlement with the lessor, shall include the cost thereof in account 706, "Investments in affiliated companies," or 707, "Other investments," as may be appropriate.

**§ 10.702½A Acquisition adjustment.** This account shall be charged with the cost of a railway or portion thereof acquired since January 1, 1938, as an operating entity or system by purchase, merger, consolidation, reorganization, receivership sale or transfer, or otherwise. If the consideration or a part thereof given for the property acquired consists of securities issued by the ac-

counting carrier, the cash value thereof for the purpose of determining the cost to be charged to this account shall be the sum of the par value of securities having par values and the stated or assigned values of no par securities as determined and approved by the Commission. Where the consideration given for the property acquired is other than cash or securities issued by the accounting carrier, such consideration shall be valued on a current cash basis.

The accounting for assets acquired and liabilities assumed shall then be as follows:

(a) Assets acquired, except property includible in accounts 701, "Road and equipment property," or 702, "Improvements on leased property," and liabilities assumed shall be recorded in their appropriate accounts in the manner provided for in classification of general balance sheet accounts.

(b) Property includible in primary road and equipment accounts 1 and 2½ to 58, inclusive, and 72 to 77, inclusive, shall be recorded in those accounts at original cost or estimated original cost as found by the Bureau of Valuation.

(c) In the primary road and equipment account 2, there shall be recorded the original cost of lands owned by predecessor carrier or carriers at basic valuation date as reported under Valuation Order No. 7, dated November 21, 1914, and included in the Commission's basic valuation reports. Any lands so reported without cost except those donated shall be estimated by the accounting company, which will be subject to verification by the Bureau of Valuation. To this shall be added the cost at the time of dedication to public use of any lands acquired since the basic valuation date.

(d) In the primary road and equipment account 71, there shall be recorded the expenditures incident to the organization or reorganization of the accounting company.

(e) The money outlay expended by a predecessor carrier or carriers for additions and betterments to property leased from other companies whose physical properties are not included in the reorganization, shall be transferred to account 702, "Improvements on leased property," in the amounts recorded in that account on the books of the predecessor carrier or carriers.

(f) The amounts thus recorded in primary accounts 1 to 77, inclusive, shall be concurrently charged to balance sheet accounts 701, "Road and equipment property," or 702, "Improvements on leased property," as appropriate.

(g) Balances in accounts 702½C, "Accrued depreciation—Road," 702½D, "Accrued depreciation—Equipment," and 779, "Accrued depreciation—Leased property," carried on the books of the predecessor carrier or carriers as of the date of acquisition or reorganization shall be carried over and recorded in the respective accounts on the books of the accounting company. To the extent that a credit balance is available in this account, the accounting company shall credit account 702½C, "Accrued depreciation—Road," and charge this account with the estimated amount by which the balance in account 702½C, "Accrued depreciation—Road," appears to be deficient with respect to past accrued depreciation on depreciable road property included in account 701, "Road and equipment property."

(h) This account shall concurrently be debited or credited, as appropriate, to offset assets and liability items recorded in accordance with paragraphs (a) to (g) of this section.

(i) To the extent that a credit balance is available in this account if so authorized upon application to the Interstate Commerce Commission, retirement of nondepreciable property in existence at the date of acquisition or reorganization which is not replaced may be charged hereto if the loss is not assignable to operations subsequent to date of acquisition or reorganization. Other charges to this account may be made upon specific approval by the Commission.

NOTE: The accounting company shall be prepared to furnish the Interstate Commerce Commission with a full report of the contract of organization and a statement showing in detail the consideration given for the property acquired. It shall procure in connection with the organization all existing records, memoranda and accounts in possession or control of the grantor relating to construction and improvement of the property acquired and shall preserve such records, memoranda and accounts until authorized by law to destroy or otherwise dispose of them.

Where the records, memoranda and accounts are so involved with other records, memoranda and accounts of the grantor as

to make this transfer impracticable, certified copies shall be procured and retained by the accounting company; the verity of the copies should be certified by the custodian of the originals.

**§ 10.702½B Donations and grants.** This account shall be credited with grants obtained from governmental agencies, and with donations from individuals and others in connection with the construction or acquisition of property the cost of which is chargeable to accounts 701, "Road and equipment property," and 702, "Improvements on leased property." (See "Cost," under paragraph (c) of § 10.01-2 *Items to be charged.*)

**§ 10.702½C Accrued depreciation; road.** (a) This account shall be credited with amounts concurrently charged to operating expenses or other accounts to cover the loss in service value of depreciable road property; also with any balance in account 776, "Accrued depreciation—Road and equipment," as of December 31, 1944, for depreciation of road property. It shall also include amounts which the Commission may authorize the accounting company to credit to account 607, "Miscellaneous credits," or charge to account 621, "Miscellaneous debits," or to account 702½A, "Acquisition adjustment," in respect to past accruals of depreciation.

(b) At the time of the retirement of each unit of depreciable road property, this account shall be charged with the entire service value of the unit retired or minor item retired and not replaced.

(c) For balance sheet purposes, this account shall be treated as a single composite reserve for road property. However, for purposes of analysis, the accounting company shall maintain subsidiary records in which this reserve is broken down into components corresponding to the primary accounts for depreciable road property. These subsidiary records shall show the current debits and credits to this reserve by primary accounts. (See § 10.04-8 *Depreciation accounting; road property.*)

**§ 10.702½D Accrued depreciation; equipment.** (a) This account shall be credited with amounts concurrently charged to operating expenses or other accounts to cover the loss in service value of equipment; also with any balance in account 776, "Accrued depreciation—Road and equipment," as of December 31,

1944, for depreciation of equipment. It shall also include amounts which the Commission may authorize the accounting company to credit to account 607, "Miscellaneous credits," or charge to account 621, "Miscellaneous debits," or to account 702½A, "Acquisition adjustment," in respect to past accruals of depreciation.

(b) At the time of the retirement of each unit of equipment this account shall be charged with the entire service value of the unit retired or minor item retired and not replaced.

(c) For balance sheet purposes, this account shall be treated as a single composite reserve for equipment. However, for purposes of analysis, the accounting company shall maintain subsidiary records in which this reserve is broken down into components corresponding to the primary accounts for equipment. These subsidiary records shall show the current debits and credits to this reserve by primary accounts. (See § 10.04-24 *Depreciation accounting; equipment.*)

**§ 10.702½E Accrued amortization of defense projects; road.** This account shall be credited with amounts charged to account 270½, "Road—Amortization of defense projects," to cover the amortization of road property, the cost of which is included in account 701, "Road and equipment property," or account 702, "Improvements on leased property." (See also Note B to account 270½.) This account shall be charged with the credit balance herein applicable to specific road property at the time the property is retired.

**§ 10.702½F Accrued amortization of defense projects; equipment.** This account shall be credited with amounts charged to account 331½, "Equipment—Amortization of defense projects," to cover the amortization of equipment, the cost of which is included in account 701, "Road and equipment property," or account 702, "Improvements on leased property." (See also Note B to account 331½.) This account shall be charged with the credit balance herein applicable to specific equipment at the time the equipment is retired.

**§ 10.703 Sinking funds.** This account shall include the amount of cash, the ledger value of live securities of other companies, and other assets which are

held by trustees of sinking and other funds for the purpose of redeeming outstanding obligations, including such assets so held in the hands of the accounting company's treasurer when the assets are segregated in a distinct fund; also amounts deposited with such trustees on account of mortgaged property sold the proceeds of which are to be held for the redemption of securities, and the par value or with respect to no par stock, the amounts recorded in account 751, "Capital stock," relating thereto, of live securities issued or assumed by the accounting company and held in such funds. A separate account shall be kept for each fund. The title of each such account shall designate the obligation in support of which the fund is created.

**NOTE:** In stating the balance sheet in the annual reports to the Commission the total amount of the funds and the par value or with respect to no par stock, the amounts recorded in account 751, "Capital stock," relating thereto, of securities issued or assumed by the accounting company and held in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued or assumed) shall be shown in the long column.

**§ 10.704 Capital and other reserve funds.** This account shall include the amounts of cash and the ledger value of other assets segregated for capital purposes other than sinking funds. A separate account shall be kept for each fund.

(a) The account shall be charged with:

(1) Funds that have been realized from the sale of equipment obligations and other long-term obligations and that have not been applied toward the specific purposes for which the obligations were incurred;

(2) Funds deposited with trustees to be held until mortgaged property sold is replaced;

(3) The ledger value of assets held by trustees, or by the accounting company's treasurer when segregated in a distinct fund or funds, which have been set aside in accordance with governmental, mortgage, or contractual requirements in connection with reorganizations or otherwise.

(b) The account shall be credited with:

(1) Direct expenditures from the funds;

(2) Amounts transferred to sinking funds;

(3) The ledger value of assets of the character indicated in paragraph (a) (3) of this section, by transfer to the appropriate current asset account, when the assets are definitely assigned in advance of expenditure to the payment of interest or other recorded current liabilities.

**NOTE A:** An appropriate record shall be maintained with respect to securities issued or assumed by the accounting company and held in the funds, identifying those that are nominally issued or nominally outstanding.

**NOTE B:** Funds specifically set aside for sinking fund purposes shall be included in account 703, "Sinking funds." If one purpose of a capital fund is to provide contributions to a sinking fund under specified conditions, the entire amount of the fund shall be included in this account until the contributions to the sinking fund are made, at which time the amounts thereof shall be transferred to account 703, "Sinking funds."

**§ 10.704½ Maintenance funds.** This account shall be charged with the amounts of cash on special deposit and the cost of United States Treasury securities that have been set aside to be held by the accounting company's treasurer until disbursed in settlement of charges incurred for deferred maintenance of way and structures and equipment due to priorities of material and supplies or shortage of labor, also charges incurred for major repairs to equipment that are usually made at intervals of several years.

It shall be credited with withdrawals therefrom as disbursements are made for the purposes for which the funds were set aside.

**§ 10.705 Miscellaneous physical property.** This account shall include the accounting company's investment in physical property other than property assignable to accounts 701 and 702, including hotels, restaurants, power plants, etc., which are not operated by the accounting company or another carrier in connection with its transportation service.

#### ITEMS OF INVESTMENT

Coal and other mines.

Commercial power plants.

Hotels and restaurants.

Lands and buildings not used in transportation operations.

Lands and other property acquired and held in anticipation of future use.

Mineral and timber lands.

Rails and other track material leased to others.

Saw mills and other manufacturing plants not operated in connection with transportation service.

§ 10.705½ *Accrued depreciation; miscellaneous physical property.* This account shall be credited with amounts charged to income or other accounts to cover the depreciation of property the cost of which is included in account 705, "Miscellaneous physical property."

When any miscellaneous physical property is destroyed, stld, or otherwise retired from service, the amount included in this account with respect to the property retired shall be charged hereto.

§ 10.706 *Investments in affiliated companies.* This account shall include the ledger value of the accounting company's investment in securities issued or assumed by affiliated companies other than securities held in special deposits or special funds, and also investment advances made to affiliated companies. (See § 10.08-5 *Book value of securities owned.*)

This account shall be maintained in such manner as to show each of the following classes of investment in each affiliated company:

- (a) Stocks.
- (b) Bonds.
- (c) Other secured obligations.
- (d) Unsecured notes.
- (e) Investment advances.

A complete record of securities pledged shall be maintained so that the ledger value of securities pledged and unpledged may be shown separately in the annual report to the Commission.

NOTE A: Accounts with affiliated companies which are subject to current settlement, if their collection is reasonably assured, shall be classed as current assets, but if settlement is deferred beyond one year such items shall be transferred to account 722, "Other deferred assets."

NOTE B: The term "affiliated companies" includes:

1. Controlled companies, including companies solely controlled by the accounting company, and also companies jointly controlled by the accounting company and others under a joint arrangement.
2. Controlling companies, including both companies solely controlling the accounting company, and companies which jointly control the accounting company under a joint arrangement.
3. Companies controlled by controlled companies.
4. Companies controlled by controlling companies.

By "control" is meant the ability to determine the action of a corporation. For the purposes of this account, the following are to be considered forms of control:

(a) Right through title to securities issued or assumed to exercise the major part of the voting power in the controlled corporation.

(b) Right through agreement of some character or through some source other than title to securities, to name the majority of the board of directors, managers, or trustees of the controlled corporation.

(c) Right to foreclose a first lien upon all or a major part in value of the tangible property of the controlled corporation.

(d) Right to secure control in consequence of advances made for construction of the operating property of the controlled corporation.

(e) Right to control only in a specific respect the action of the controlled corporation.

A leasehold interest in the property of a corporation is not to be classed as a form of control over the lessor corporation.

"Sole control" is that which rests in one corporation.

"Joint control" is that which rests in two or more corporations and which is held under a joint arrangement.

NOTE C: The value of securities borrowed by the accounting company and pledged shall not be included in this account.

NOTE D: The value of securities pledged for purposes other than that of security for funded debt or short-term loans shall be included in accounts 703, "Sinking funds," 704, "Capital and other reserve funds," or 721, "Insurance and other funds," as may be appropriate.

§ 10.707 *Other investments.* This account shall include the ledger value of the accounting company's investment in securities issued or assumed by nonaffiliated companies other than securities held in special deposits or special funds; also investment advances made to nonaffiliated companies and to individuals. (See § 10.08-5 *Book value of securities owned.*)

This account shall be maintained in such manner as to show each of the following classes of investment in each nonaffiliated company:

- (a) Stocks.
- (b) Bonds.
- (c) Other secured obligations.
- (d) Unsecured notes.
- (e) Investment advances.

A complete record of securities pledged shall be maintained so that the ledger value of securities pledged and unpledged may be shown separately in the annual report to the Commission.

NOTE A: Accounts with nonaffiliated companies which are subject to current settlement, if their collection is reasonably assured, shall be classed as current assets, but

if settlement is deferred beyond one year such items shall be transferred to account 722, "Other deferred assets."

**NOTE B:** The term "nonaffiliated companies" includes all companies other than those defined as affiliated in **NOTE B** of account 706, "Investments in affiliated companies."

**NOTE C:** The value of securities borrowed by the accounting company and pledged shall not be included in this account.

**NOTE D:** The value of securities pledged for purposes other than that of security for funded debt or short-term loans shall be included in accounts 703, "Sinking funds," 704, "Capital and other reserve funds," or 721, "Insurance and other funds," as may be appropriate.

§ 10.707½ *Reserve for adjustment of investment in securities.* This account shall include the total of the balances in such reserves as are maintained by the accounting company for the purpose of providing for reductions in the value of securities owned and recorded in accounts 706, "Investments in affiliated companies," or 707, "Other investments." Corresponding charges shall be made to account 621, "Miscellaneous debits." (See paragraph (c) of § 10.08-5 *Book value of securities owned.*)

If reserves are maintained in provision for anticipated losses in specific securities, when the related assets are written down or written off, or are sold or otherwise disposed of at a loss, the reduction in the book value or the losses sustained shall be charged to this account to the extent of the credit balance in the account applicable to the particular securities involved, and the remainder, if any, shall be charged to account 621, "Miscellaneous debits." In case a general reserve for losses in unspecified security values is maintained, all such losses resulting from write-downs, write-offs, etc., shall be charged to this account to the extent of the total credit balance in the account, and the remainder, if any, shall be charged to account 621, "Miscellaneous debits."

§ 10.708 *Cash.* This account shall include money, checks, sight drafts, and sight bills of exchange in the hands of the accounting company's financial officers and agents, or in transit from its agents and conductors for which such agents and conductors have received credit. It shall include also, deposits with banks and trust companies available for use on demand, and savings accounts subject to the usual clause reserving the right to defer payment for

a specified number of days. (See § 10.08-7 *Current assets.*)

§ 10.709 *Temporary cash investments.* This account shall include the cost of securities and other collectible obligations acquired for the purpose of temporarily investing cash, such as United States Treasury certificates, marketable securities, time drafts receivable, demand loans, time loans, time deposits with banks and trust companies, and other similar investments of a temporary character.

§ 10.711 *Special deposits.* This account shall include the unexpended balances in funds deposited specifically for the payment of dividends, interest, or other recorded current liabilities. (See § 10.08-7 *Current assets.*)

§ 10.712 *Loans and bills receivable.* This account shall include the book value of all collectible obligations in the form of demand or time loans and bills receivable, or other similar evidences (except interest coupons) of money receivable within a time not exceeding one year from date of issue. (See § 10.08-7 *Current assets.*)

**NOTE A:** Obligations held as investments which mature more than one year after date of issue shall be included in accounts 706, "Investments in affiliated companies"; or 707, "Other investments," as may be appropriate.

**NOTE B:** Loans and bills receivable acquired for the purpose of temporarily investing cash shall be included in account 709, "Temporary cash investments."

§ 10.713 *Traffic and car-service balances—Dr.* This account shall include the net of the balances receivable from or payable to other companies in the accounts representing interline freight, passenger, and baggage revenues, and charges for equipment interchanged on a per diem or a mileage basis, when such balances result in a net debit.

**NOTE A:** When the net of the balances is a credit it shall be included in account 759, "Traffic and car-service balances—Cr."

**NOTE B:** The amount to be entered in this account in the carrier's annual report to the Commission shall be stated in accordance with the text of this account. For convenience in accounting the carrier may maintain currently separate subaccounts under the following captions:

713 and 759 (a) Interline freight, balance.  
713 and 759 (b) Interline passenger, balance.

713 and 759 (c) Interline baggage, balance.

713 and 759 (d) **Equipment Interchanged, balance.**

§ 10.714 *Net balance receivable from agents and conductors.* This account shall include the net balance due in current accounts from agents, from train, sleeping car, and dining car conductors, and from train collectors, train auditors, porters, and other employees and representatives charged with the collection or custody of current revenues. (See § 10.08-7 *Current assets.*)

**NOTE:** Amounts advanced to general and special agents as working funds shall not be included in this account, but in account 720, "Working fund advances."

§ 10.715 *Miscellaneous accounts receivable.* This account shall include amounts due in audited accounts considered good, such as those due from the United States or other Governments for the transportation of mails and Government property, and from express companies for express facilities furnished under contract; amounts due from other carriers on account of freight claims paid; miscellaneous bills against other railway companies, corporations, firms, and individuals, and other similar items. (See § 10.08-7 *Current assets.*)

**NOTE:** The amount to be entered in this account is not the net balance between this account and account 761, "Miscellaneous accounts payable."

§ 10.716 *Material and supplies.* This account shall include the balances representing the cost, less depreciation, if any, of all unapplied material, such as road and shop material, articles in process of manufacture by the accounting company, fuel, stationery, and dining car and other supplies. In determining the cost of material and supplies suitable allowance shall be made for any discounts allowed in the purchase thereof.

**NOTE A:** Balances representing the cost of unapplied construction material and supplies located at the point of use, which have been purchased specifically for projected new roads and extensions or for new railroad equipment, are provided for in road and equipment account 47, "Unapplied construction material and supplies," or account 59, "Unapplied material and supplies—Equipment."

**NOTE B:** An inventory of material and supplies shall be taken during each calendar year and the necessary adjustments to bring this account into harmony with the actual inventory balances shall be made in the accounts of the year in which the inventories are taken. In effecting this adjustment de-

termined differences in accounting for important classes of material shall be equitably assigned among the accounts to which the classes of material are ordinarily chargeable. Other differences shall be equitably apportioned among the primary accounts to which material has been charged since the last inventory. (See Case 17, Accounting Bulletin No. 15.)

§ 10.717 *Interest and dividends receivable.* This account shall include the amount of interest accrued to the date of the balance sheet on bonds owned and on loans made, the amount of dividends declared on stocks owned, and dividends accrued on such stocks when contracts require that the dividends be paid at stated times. (See § 10.08-7 *Current assets.*)

**NOTE A:** No amount representing interest or dividends receivable shall be included in this account unless its payment is reasonably assured by past experience, anticipated provision, or otherwise.

**NOTE B:** No dividends or other returns on securities issued or assumed by the accounting company shall be included in this account.

**NOTE C:** If settlement of amounts included in this account is not made when due either in cash or with other tangible assets of equal money value, such amounts shall be cleared from this account and charged to the income account originally credited (subject to § 10.06-2 *Delayed items*). If notes are taken in settlements of amounts included in this account, the amounts thereof shall be charged to account 712, "Loans and bills receivable," or account 722, "Other deferred assets," as may be appropriate (see § 10.08-7 *Current assets*), but such amounts shall not be credited to income (or if previously credited to income shall be cleared therefrom as provided in the first sentence of this note), unless inclusion therein is justified by the current asset position of the obligor. If such notes are of doubtful value, the amount at which they are charged to account 722, "Other deferred assets," in accordance with § 10.08-7 *Current assets*, shall be credited to account 778, "Other unadjusted credits," and income shall not be credited until payment is received, and then only with the amount collected. If long-term notes are taken in settlement of current assets, the credit to income shall be canceled and account 722, "Other deferred assets," shall be charged with their true values, and a like sum shall be credited to account 778, "Other unadjusted credits."

§ 10.718 *Accrued accounts receivable.* This account shall include estimates of all unaudited current items receivable by the carrier to the date of the balance sheet, including those which are creditable to revenue, expense, or income accounts in accordance with § 10.02-2 *Un-*

*audited items affecting operating accounts, and § 10.06-3 Unaudited items.* (See also § 10.08-7 *Current assets.*)

Examples, without limitation, of items to be accrued:

Rents receivable under leases which are not includible in account 715, "Miscellaneous accounts receivable." (See note C to account 717, "Interest and dividends receivable.")

Amounts receivable from others for unreported interline traffic.

Amounts receivable from others for use of facilities, including equipment, for which bills have not been rendered.

Amounts receivable from others for services for which bills have not been rendered.

**§ 10.719 Other current assets.** This account shall include items of current assets not covered by accounts 708 to 718, inclusive.

It shall include asset items not includible in any of the foregoing current asset accounts that have been advanced beyond the stage of deferred assets. (See § 10.08-7 *Current assets.*)

**§ 10.720 Working fund advances.** This account shall include amounts advanced to general and special agents, and to other officers and employees, as working funds from which certain expenditures are to be made and accounted for. It also includes advances to fast freight lines and to demurrage and other bureaus.

**§ 10.721 Insurance and other funds.** This account shall include the amount of cash and the ledger value of securities of other companies and other assets which are in the hands of trustees or managers of insurance, employees' pension, savings, relief, hospital, and other funds which have been raised and specifically set aside or invested for specific purposes not provided for elsewhere; also the par value or with respect to no par stock, the amounts recorded in account 751, "Capital stock," relating thereto, of securities issued or assumed by the accounting company and held in such funds. A separate account shall be kept for each fund.

**NOTE A:** Sinking funds and capital and other reserve funds are provided for in accounts 703 and 704, respectively.

**NOTE B:** In stating the balance sheet in the annual reports to the Commission the total amount of the funds and the par value or with respect to no par stock, the amounts recorded in account 751, "Capital stock," relating thereto, of securities issued or assumed by the accounting company and held

in the funds shall be shown in the short columns, and the net amount of the funds (total amount less securities issued or assumed) shall be shown in the long column.

**NOTE C:** This account shall not include funds held by the accounting company solely as trustee and in which it has no beneficial interest.

**§ 10.722 Other deferred assets.** This account shall include the estimated value of salvage recoverable from property retired when the recovery of the salvage is deferred for any reason; items of a current character but of doubtful value; and all other deferred items not covered by accounts 720 or 721. (See § 10.08-7 *Current assets.*)

**§ 10.723 Prepayments.** This account shall include the balances in the accounts representing prepaid rents chargeable to the appropriate rent accounts as the term is consumed for which the rents are paid; also interest and insurance premiums paid in advance of their accrual, which are to be apportioned and charged, as they accrue, to the appropriate accounts.

**§ 10.725 Discount on funded debt.** This account shall include the total of the net debit balances in the discount, expense, and premium accounts for the several subclasses of funded debt. (See § 10.08-3 *Discount, expense, and premium on funded debt.*)

**§ 10.726 Property retired chargeable to operating expenses.** This account is intended as a suspense account in which may be included amounts chargeable to operating expenses as follows:

(a) Amounts representing the service value of nondepreciable road property retired which are relatively so large that their inclusion in the accounts for a single year would distort those accounts. (See § 10.04-6 *Distribution of charges for nondepreciable road property retired.*)

(b) Amounts representing the service value of depreciable road property retired which are relatively so large that their inclusion in the depreciation reserve would result in unduly depleting the reserve. (See paragraph (k) of § 10.04-8 *Depreciation accounting; road property.*)

(c) Amounts representing the service value of equipment retired which are relatively so large that their inclusion in the depreciation reserve would result in unduly depleting the reserve. (See paragraph (f) of § 10.04-24 *Depreciation accounting; equipment.*)



(d) This account is to be used only after permission of the Commission has been asked and given. The carrier in its application to the Commission shall give full particulars concerning the property retired, the amount which it is proposed to charge to operating expenses, and the period over which, in its judgment, the amount of such charge shall be distributed.

**§ 10.727 Other unadjusted debits.** This account shall include the amount of debit balances in suspense accounts that cannot be cleared and disposed of until additional information is received, such as freight claims paid when found to be correct, but in advance of investigation with other carriers; debit balances in clearing accounts, such as "Shop expenses," "Store expenses," "Operations of gravel pits," and "Operation of quarries"; unextinguished discount on short-term notes; unadjusted debit items not otherwise provided for and similar items the proper disposition of which is uncertain.

**§ 10.728 Securities issued or assumed; unpledged.** This account shall include the par value, or with respect to no par stock, the amounts recorded in account 751 "Capital stock," relating thereto, of securities issued or assumed by the accounting company that are held unpledged in the company's treasury or by its agents or trustees, except those held by trustees of sinking or other similar funds.

This account shall be divided into:

(a) Stocks, and  
(b) Bonds and other evidences of long-term debt, each of which divisions shall be further subdivided between:

(1) Amounts nominally but not actually issued, and

(2) Amount nominally outstanding.

**NOTE A:** The term "securities," as used in this account, includes all authorized certificates of stock and evidences of indebtedness which have been signed, sealed, and, when required, certified by the registrar or by the trustees under the mortgage or contract, and are not "short-term securities." By "short-term securities" are meant those which are payable on demand or which mature not more than one year from date of issue. (See also Notes B to accounts 751 and 755.)

**NOTE B:** This account shall not include securities that are merely guaranteed.

**NOTE C:** This account shall not include any securities held in sinking and other reserve funds.

**NOTE D:** In the general balance-sheet state-

ment the balance in this account shall be stated in the short column only.

**NOTE E:** When securities that have been issued to bona fide holders for value, or after issuance by another company have been assumed by the accounting company, are reacquired and not canceled or retired, they shall be included in this account at their par value; or with respect to no par stock the amounts recorded in account 751, "Capital stock," relating thereto. If such securities are subsequently pledged, they shall be included in account 729, "Securities issued or assumed—Pledged." (See § 10.08-2 *Discount, premium, and assessment on capital stock*, and § 10.08-3. *Discount, expense, and premium on funded debt*.)

**NOTE F:** Stocks having no par value classifiable as nominally issued shall be recorded by number of shares. (See Note C under account 751. "Capital stock.")

**§ 10.729 Securities issued or assumed; pledged.** This account shall include the par value, or with respect to no par stock, the amounts recorded in account 751, "Capital stock," relating thereto, of securities issued or assumed by the accounting company that have been pledged as collateral security for any of its long-term debt or short-term loans.

This account shall be divided into:

(a) Stocks, and

(b) Bonds and other evidences of long-term debt, each of which divisions shall be further subdivided between:

(1) Amounts nominally but not actually issued, and

(2) Amounts nominally outstanding.

**NOTE A:** The term "securities" as used in this account includes all authorized certificates of stock and evidences of indebtedness which have been signed, sealed, and, when required, certified by the registrar or by the trustees under the mortgage or contract, and are not short-term securities. By "short-term securities" are meant those which are payable on demand or which mature not more than one year from date of issue. (See also Notes B to accounts 751 and 755.)

**NOTE B:** This account shall not include securities that are merely guaranteed.

**NOTE C:** This account shall not include securities which have been borrowed by the accounting company and pledged, nor any securities held in sinking and other reserve funds.

**NOTE D:** In the general balance-sheet statement the balance in this account shall be stated in the short column only.

**NOTE E:** The par value or with respect to no par stock, the amounts recorded in account 751, "Capital stock," relating thereto, of securities issued or assumed that have been pledged for other purposes shall be included as may be appropriate in accounts 703, "Sinking funds," 704, "Capital and other re-

serve funds," or 721, "Insurance and other funds."

**NOTE G:** Stocks having no par value classable as nominally issued shall be recorded by number of shares. (See Note C under account 751, "Capital stock.")

#### CREDIT

**§ 10.751 Capital stock.** This account shall include the total par value of par value stock, and the total amount paid in or the amount approved by the Commission for stock without par value, for all shares of capital stock or other form of proprietary interest in the accounting company which have been issued to bona fide purchasers and have not been reacquired and canceled; also shares of stock nominally issued, and reacquired shares which have not been canceled.

Appropriations of surplus which have been transferred to no par stock account shall also be included. The amount of the consideration received from the sale of par value stock in excess of the amount credited to this account shall be credited to account 753, "Premiums and assessments on capital stock."

When capital stock is retired or canceled, this account shall be charged with the amount at which such stock is carried in this account. In the case of no par stock the amount to be charged hereto shall be the proportion, applicable to the reacquired shares immediately prior to reacquisition, of the total book liability included herein of actually outstanding shares of the particular class and series of stock of which the reacquired shares are a part.

The amounts included in this account shall be recorded so as to show:

(a) Par value of shares of par value stock and amount paid in or approved by the Commission of shares of no par stock (pledged or unpledged) held in the company's treasury, by its agents or trustees, or otherwise subject to its control including shares nominally but never actually issued and

(b) Par value of shares of par value stock and amount paid in or approved by the Commission of shares of no par stock issued and actually outstanding, being the shares not held by the company, its agents or trustees, or subject to its control.

The amounts included herein shall be further divided so as to show the amount of each class of stock issued, separated as between par value and nonpar value stock, as follows:

(1) *Common stock.* Stocks which have no preference over other issues of stock in distribution of dividends or of assets.

(2) *Preferred stock.* Stocks having preference over other issues of stock in distribution of dividends or of assets.

(3) *Debenture stock.* Stocks issued under a contract to pay a specified return at specified intervals.

(4) *Receipts outstanding for installments paid.* Receipts for payments on account of subscriptions to capital stock.

When the subscriber has paid his subscription in full and is entitled to receive certificates representing the shares for which he has subscribed, the par value of stocks having par value or the agreed purchase price or the price authorized by the Commission of stock without par value shall be included in the division appropriate for the class for which the certificates are issued.

Each of the above classes shall also be divided into subclasses according to differences in dividend or interest rights, voting rights, or conditions under which the securities may be retired.

**NOTE A:** When a general levy or assessment is made against the holders of capital stock, requiring the payment of any sum in addition to the consideration agreed upon at the time of sale the amount collected upon such levy or assessment shall be credited to account 753, "Premiums and assessments on capital stock."

**NOTE B:** When capital stock having par value is exchanged for capital stock without par value any sums resting in account 753, "Premiums and assessments on capital stock," with respect thereto shall be cleared to account 751, "Capital stock," and any amounts resting in the discount account with respect thereto shall be cleared to subaccount 754.1, "Paid-in surplus"; *Provided, however,* That any excess over the amount of accumulated net gains applicable to the subclass exchanged included in paid-in surplus shall be charged to account 621, "Miscellaneous debits." (See § 10.08-2 *Discount, premium, and assessment on capital stock.*)

**NOTE C:** An appropriate record shall be maintained with respect to shares of capital stock showing the number of shares nominally issued, nominally outstanding, actually issued and actually outstanding.

**NOTE D:** For the purpose of the balance-sheet statement capital stock is considered to be "nominally issued" when certificates are signed and sealed and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the accounting company. It is considered to be "actually issued" when it has been sold to

a bona fide purchaser for a valuable consideration, and such purchaser holds it free from all control by the accounting company. All capital stock actually issued and not reacquired and held by or for the accounting company is considered to be "actually outstanding." If reacquired by or for the accounting company under such circumstances as require it to be considered as held alive and not canceled or retired, it is considered to be "nominally outstanding."

§ 10.752 *Stock liability for conversion.* This account shall include the company's liability under agreements to exchange its capital stock for the outstanding securities of companies whose physical property has been acquired under such agreements, but whose securities have not yet been surrendered for exchange.

§ 10.753 *Premiums and assessments on capital stock.* This account shall include the excess of the actual cash value (at the time of the sale of the stock) of the consideration received over the amounts recorded in account 751, "Capital stock," for par value stock plus accrued dividends, if any, also subsequent assessments against stockholders representing payments required in excess of par or other amounts recorded in account 751, "Capital stock," in accordance with the text of that account. (See § 10.08-2 *Discount, premium, and assessment on capital stock.*)

When capital stock is retired and canceled, the amount in this account with respect to the shares of such stock retired and canceled shall be charged hereto.

§ 10.754 *Discount on capital stock.* This account shall include discount suffered in the issuance and sale of capital stock. Record supporting the entries to this account shall be kept to show the discount suffered, if any, on such subclass of capital stock. (See § 10.08-2 *Discount, premium, and assessment on capital stock.*)

§ 10.755 *Funded debt unmatured.* There shall be included in this account the total par value of unmatured debt (other than equipment obligations), maturing more than one year from date of issue, issued by the accounting company and not retired or canceled, and the total par value of similar unmatured debt of other companies, the payment of which has been assumed by the accounting company.

The amounts included in this account

shall be divided so as to show the par value of (1) certificates or other evidences of funded debt (pledged and unpledged) held in the company's treasury, by its agents or trustees, or otherwise subject to its control, including both those reacquired after actual issue and those nominally but never actually issued; and (2) certificates or other evidences of funded debt issued and actually outstanding, being those not held by the company, its agents or trustees, or subject to its control.

The amounts included herein shall be further divided so as to show the amount of each class of funded debt, as follows:

(b) *Mortgage bonds.* Bonds secured by lien on physical property and not includible in the other subdivisions of this account.

(c) *Collateral trust bonds.* Bonds and notes secured by a lien on securities or other negotiable paper; and stock trust certificates that are similar in character to collateral trust bonds.

(d) *Income bonds.* Bonds which are a lien on a carrier's revenue alone, or bonds which, while being a lien on its property and franchises, can claim payment of interest only in case interest is earned.

(e) *Miscellaneous obligations.* All funded obligations not provided for by the other subdivisions of this account, also notes, unsecured certificates of indebtedness, debenture bonds, plain bonds, real estate mortgages executed or assumed and other similar obligations maturing more than one year from date of issue, but excluding liabilities for assessments for public improvements and those evidenced by conditional or deferred equipment purchase contracts for which provision is made in account 770, "Other deferred liabilities," and account 756½, "Equipment obligations," respectively.

(f) *Receipts outstanding for funded debt.* Receipts for payments on account of funded debt. When certificates are issued for amounts so paid, the par value shall be included in the account covering the class of funded debt for which the certificates are issued.

Each of the above classes shall also be divided into subclasses according to differences in mortgage or other lien or security therefor, rate of interest, interest dates, or date of maturity. Parts of any issue agreeing in other characteristics but maturing serially may be treated as of the same subclass.

Records shall be maintained in such manner as to show (1) securities the issuance or assumption of which has been authorized by the Commission under section 20a of the Interstate Commerce Act, and similar securities issued or assumed prior to the effective date of that provision of the act, and (2) other obligations of a kind which may legally be issued or assumed without such authorization.

**NOTE A:** Securities (other than equipment obligations) maturing one year or less from date of issue shall be included in accounts 757, "Amounts payable to affiliated companies," or 758, "Loans and bills payable," except that where an issue of securities maturing serially over a period of years contains short-term obligations such obligations may be included as funded debt. Matured funded debt shall be included in account 768, "Other current liabilities" if provision has been made for current settlement. If no provision has been made for current settlement, matured funded debt shall be included in account 755½, "Debt in default," except that when the collection of matured funded debt of affiliated companies is not enforced by controlling companies, the principal amount (to the extent held by a controlling company) shall be included in account 757, "Amounts payable to affiliated companies."

**NOTE B:** For the purposes of the balance-sheet statement funded debt securities are considered to be "nominally issued" when certified by trustees and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the accounting company. They are considered to be "actually issued" when they have been sold to a bona fide purchaser for a valuable consideration, and such purchaser holds them free from all control by the accounting company. All funded debt securities actually issued and not reacquired and held by or for the accounting company are considered to be "actually outstanding." If reacquired by or for the accounting company under such circumstances as require them to be considered as held alive and not canceled or retired, they are considered to be "nominally outstanding."

**NOTE C:** Nonnegotiable notes having a maturity of more than one year after date of issue, held by affiliated companies, shall be included in account 757, "Amounts payable to affiliated companies."

**NOTE D:** In the general balance-sheet statement the total unmatured funded debt included in the account shall be shown in the first short column. The amount nominally but not actually issued and the amount nominally outstanding shall be shown in the second short column, and in the long column shall be shown the amount actually outstanding.

**§ 10.755½ Debt in default.** This account shall include amounts transferred from other accounts representing matured funded securities or obligations, receivers' and trustees' securities, equipment obligations and short-term notes, when maturity dates of such obligations have not been extended.

**NOTE A:** The principal amount of matured funded debt of affiliated companies the collection of which is not enforced by the controlling company shall (to the extent of the principal amount held by the controlling company) be included in account 757, "Amounts payable to affiliated companies."

**NOTE B:** The principal amount of unrepresented funded debt obligations which have matured, and for which provision has been made for payment shall be included in account 768, "Other current liabilities."

**§ 10.756 Receivers' and trustees' securities.** When receivers or trustees acting under the orders of a court are in possession of the property of the company, and under the order of such court issue or assume evidences of indebtedness (other than equipment securities or obligations) the par value of such evidences shall be credited to this account.

**NOTE:** The par value of equipment securities or the principal amount of obligations incurred for the purchase of equipment under conditional or deferred payment contracts shall be included in account 756½, "Equipment obligations."

**§ 10.756½ Equipment obligations.** This account shall include the par value of equipment securities and the principal amount of contractual obligations including those maturing serially or payable in installments over a period of more than one year.

The amounts included herein shall be divided as follows:

(a) Principal amount of equipment securities including those maturing serially, issued or assumed by the accounting company or by receivers and trustees, which have been authorized by the Commission under section 20a of the Interstate Commerce Act and similar securities issued or assumed prior to the effective date of that provision of the act.

(b) Principal sums of obligations for equipment purchased under conditional or deferred payment contracts, which may be legally entered into or assumed by the accounting company or by receivers and trustees, without authorization by the Commission.

**NOTE:** Amounts included in this account which are payable within one year from the date of the balance sheet shall be shown in a footnote thereto.

**§ 10.757 Amounts payable to affiliated companies.** This account shall include the par value of nonnegotiable notes issued to affiliated companies, matured funded debt of affiliated companies held by controlling companies where there is no agreement for an extension as to time of payment and collection of the principal is not enforced, credit balances in open accounts with such companies other than credit balances in current accounts classable as current liabilities, and interest accrued on notes, matured funded debt of affiliated companies and open accounts included in this account, when such interest is not subject to current settlements.

This account shall be divided:

(a) Notes, including herein not only nonnegotiable notes that run longer than a term of one year, but also such notes payable on demand or within one year from the date of issue when it is mutually agreed that the notes shall not be enforced as current assets by the holder.

(b) Par value of matured funded debt of affiliated companies held by controlling companies where there is no agreement for an extension of time and collection is not enforced.

(c) Open accounts not subject to current settlement.

(d) Interest accrued on amounts included in this account when not subject to current settlements.

**NOTE A:** Accounts with affiliated companies which are subject to current settlements, such as traffic and car-service balances, charges for material and supplies currently furnished, charges for repairs to equipment, etc., shall be classed as current assets or current liabilities, as may be appropriate.

**NOTE B:** No item shall be included in this account which is not known to be the property of an affiliated company.

**NOTE C:** The term affiliated companies includes:

1. Controlled companies, including companies solely controlled by the accounting company, and also companies jointly controlled by the accounting company and others under a joint arrangement.

2. Controlling companies, including both companies solely controlling the accounting company, and companies which jointly control the accounting company under a joint arrangement.

3. Companies controlled by controlled companies.

4. Companies controlled by controlling companies.

By "control" is meant the ability to determine the action of a corporation. For the purposes of this account, the following are to be considered forms of control:

(a) Right through title to securities issued or assumed to exercise the major part of the voting power in the controlled corporation.

(b) Right through agreement of some character or through some source other than title to securities, to name the majority of the board of directors, managers, or trustees of the controlled corporation.

(c) Right to foreclose a first lien upon all or a major part in value of the tangible property of the controlled corporation.

(d) Right to secure control in consequence of advances made for construction of the operating property of the controlled corporation.

(e) Right to control only in a specific respect the action of the controlled corporation.

A leasehold interest in the property of a corporation is not to be classed as a form of control over the lessor corporation.

"Sole control" is that which rests in one corporation.

"Joint control" is that which rests in two or more corporations and which is held under a joint arrangement.

**§ 10.758 Loans and bills payable.** This account shall include the balances representing obligations outstanding in the form of loans and bills payable or other similar evidences (except interest coupons) of indebtedness payable on demand or within a time not exceeding one year from date of issue.

This account shall be kept in such form so as to show separately the amounts of notes payable within one year from date of issue that are secured by collateral.

**NOTE.** This account shall not include obligations which mature more than one year after date of issue, or demand or short-term notes issued to affiliated companies and includible in account 757, "Amounts payable to affiliated companies."

**§ 10.759 Traffic and car-service balances—Cr.** This account shall include the net of the balances receivable from or payable to other companies in the accounts representing interline freight, passenger, and baggage revenues, and charges for equipment interchanged on a per diem or a mileage basis, when such balances result in a net credit.

**NOTE A:** When the net of the balances is a debit it shall be included in account 713, "Traffic and car-service balances—Dr."

**NOTE B:** The amount to be entered in this account in the carrier's annual report to the Commission shall be stated in accordance with the text of this account. For convenience in accounting the carrier may maintain currently separate subaccounts under the following captions:

- 713 and 759 (a) Interline freight, balance,
- 713 and 759 (b) Interline passenger, balance,
- 713 and 759 (c) Interline baggage, balance,
- 713 and 759 (d) Equipment interchanged, balance.

**§ 10.760 Audited accounts and wages payable.** This account shall include the amount of audited vouchers or accounts and audited pay rolls unpaid on the date of the balance sheet. It shall include balances representing unclaimed wages and outstanding pay and time or discharge checks issued in payment of wages and all other unpaid vouchered items.

**§ 10.761 Miscellaneous accounts payable.** This account shall include outstanding drafts drawn by station agents, outstanding drafts drawn on the company in settlement of freight claims, conductors' refund and extra-fare checks not presented for redemption, deposits of affiliated companies subject to current settlement, taxes collected from employees and others for the account of taxing agencies, and other items of the nature of demand liabilities not covered by accounts 758, 759, 760, 762, and 763.

**NOTE:** The amount to be reported under this account is not the net balance between this account and account 715, "Miscellaneous accounts receivable."

**§ 10.762 Interest matured unpaid.** This account shall include the amount of matured and unpaid interest on funded debt, and other obligations of the accounting company for which provision has been made for current settlement.

Interest which matures on the first day following that for which the balance sheet is made shall be included in this account.

**NOTE:** Interest matured unpaid on non-negotiable debt to affiliated companies, if not subject to current settlement, shall be included in account 757, "Amounts payable to affiliated companies."

**§ 10.763 Dividends matured unpaid.** This account shall include the amount of dividends payable on capital stock but unpaid, uncalled for, or unclaimed at the date of the balance sheet.

Dividends which become payable on the first day following that for which the balance sheet is made shall be included in this account.

**§ 10.764 Unmatured interest accrued.** This account shall include the amount of interest subject to current settlement accrued to the date the balance sheet is made but not payable until after the first day following that date on funded securities or obligations, debt in default, receivers' and trustees' securities, amounts payable to affiliated companies, notes payable and other indebtedness issued or assumed by the accounting company.

**NOTE A:** Interest accrued which is not paid when it matures shall be included in account 769½, "Interest in default," unless provision has been made for current settlement. Where interest is in default, subsequent accruals shall be credited direct to account 769½, "Interest in default."

**NOTE B:** Interest accrued on amounts recorded in account 757, "Amounts payable to affiliated companies," and not subject to current settlement, shall be included in that account.

**§ 10.765 Unmatured dividends declared.** This account shall include dividends declared on capital stock, but not payable until after the first day following the date of the balance sheet.

**§ 10.766 Accrued accounts payable.** This account shall include estimates of all unaudited items payable by the carrier to the date of the balance sheet, including those which are chargeable to revenue, expense, or income accounts in accordance with § 10.02-2 *Unaudited items affecting operating accounts*, and § 10.06-3 *Unaudited items*. (See also § 10.08-7 *Current assets*.)

**Examples, without limitation, of items to be accrued:**

Rents payable under leases due subsequent to the date of the balance sheet which are not includible in account 761, "Miscellaneous accounts payable."

Amounts payable to others for unreported interline traffic.

Amounts payable to others for use of facilities, including equipment, for which bills have not been rendered.

Amounts payable to others for services for which bills have not been rendered.

**NOTE:** Do not include in this account the carrier's estimate of liability in respect of injuries to persons and loss and damage claims. Such estimated liability shall be credited to account 778, "Other unadjusted credits."

[12 F. R. 4452, as amended at 12 F. R. 8348]

**§ 10.767 Taxes accrued.** This account shall be credited with the accruals of all taxes which have been concurrently charged to the appropriate income or other accounts for taxes. Such accruals may be based upon estimates, provided such estimates shall be adjusted so as to reflect in this account at all times the carrier's estimate of its unpaid liability for each of the several classes of taxes which have not been finally settled.

Vouchers for the current payment of taxes, including taxes for which accruals have not been made previously, shall be charged to this account. Taxes paid in advance shall also be charged to this account.

The records supporting the entries in this account shall be kept to show separately by classes of taxes the amount of the tax accruals for the current year and adjustments of accruals for prior years.

**§ 10.768 Other current liabilities.** There shall be included in this account the principal amount of unrepresented bonds drawn for redemption through the operation of sinking and redemption fund agreements, also the principal amount of unrepresented funded debt obligations, and receivers' and trustees' securities which have matured (for which provision has been made for current settlement), and other current liabilities not covered by accounts 758 to 767, inclusive.

**§ 10.769 Pension and welfare reserves.** This account shall include the credit balances representing the liability of the carrier for amounts provided by charges to operating expenses or by specific appropriations of income or surplus, including amounts contributed by employees, irrespective of whether carried in special funds or in the general funds of the carrier, for pensions, accident and death benefits, savings, relief, hospital, or other provident purposes.

Separate subaccounts shall be kept for each kind of reserve created, and the appropriate reserve shall be charged when payments are made to retired employees, or disbursements are made for the purposes for which the reserves were created.

**§ 10.769½ Interest in default.** This account shall include the amount of matured and unpaid interest (for which no provision has been made for current settlement) on all indebtedness issued or assumed by the accounting company except interest which is added to the prin-

cipal of the debt on which incurred. Where interest is in default, subsequent accruals shall be credited direct to this account.

**§ 10.770 Other deferred liabilities.** This account shall include items of deferred liabilities not covered by accounts 769 and 769½ such as assessments for public improvements payable over a period longer than one year; retained percentages due contractors to be paid upon completion of contracts; deposits for construction of side tracks to be refunded on basis of an agreed portion of the earnings from the traffic handled over the tracks, and other similar items.

**NOTE:** The amount of assessments for public improvements, if payments are to be made within one year, shall be included in account 768, "Other current liabilities."

**§ 10.772 Premium on funded debt.** This account shall include the total of the net credit balances in the discount, expense, and premium accounts for the several sub-classes of funded debt. (See § 10.08-3 *Discount, expense, and premium on funded debt.*)

**§ 10.773 Insurance reserves.** This account shall include the net credit balance in the accounts to which are credited insurance premiums concurrently charged to operating expenses to cover self-carried risks on fire, fidelity, boiler, casualty, burglar, and other insurance, and to which are charged losses sustained on items protected by such insurance.

**§ 10.773½ Equalization reserves.** This account shall include ledger balances representing reserves created by charges to operating expenses for maintenance of road and equipment, in accordance with § 10.04-19 *Equalization of maintenance expenses*. The debit or credit balances in this account shall be closed at the end of each calendar year to the accounts through which they were created.

**§ 10.774 Maintenance reserves.** This account shall be credited with amounts systematically reserved by accruals to maintenance of way and structures and maintenance of equipment for deferred maintenance and major repairs to equipment in accordance with § 10.04-25 *Deferred maintenance, and major repairs to equipment*.

When the maintenance work for which provision was made has been performed, the cost of such repairs shall be charged,

according to the nature of the repairs to the appropriate primary accounts under maintenance of way and structures and maintenance of equipment. Concurrently this account shall be cleared to the extent that provision has been made herein for such repairs through the accounts originally charged therewith.

**NOTE:** To the extent that provision is made in this account for deferred maintenance and major repairs to equipment an amount of cash equal thereto shall be deposited in a special account or invested in United States Treasury securities and included in account 704½, "Maintenance funds."

**§ 10.778 Other unadjusted credits.** This account shall include the amount of credit balances in suspense accounts that cannot be cleared and disposed of until additional information is received, such as amounts received from sales of mileage tickets, to be disposed of as mileage is honored; amounts received from sales of excess baggage script, to be disposed of as coupons are honored; interchangeable mileage credential ticket redemption funds; amounts collected from the sale of damaged, unclaimed and overfreight held pending claim; estimated liability for injuries to persons and loss and damage claims; credit balances in clearing accounts, such as "Shop expenses," "Store expenses," "Operating gravel pits," and "Operating quarries"; estimated revenue overcharges such as those covered by reclamation claims or by claims of Governmental departments for the application of land-grant rates instead of commercial rates; unadjusted credit items not otherwise provided for and similar items, the proper disposition of which is uncertain.

**NOTE:** With respect to injuries to persons and loss and damage claims, if the settlements when audited are charged to this account the balances for each year shall be kept separately until all items have been adjusted and cleared, but, if the settlements when audited are charged to the appropriate expense accounts the balance in this account shall be adjusted through the appropriate expense accounts so as to reflect the probable liability at the close of each year.

**§ 10.779 Accrued depreciation; leased property.** This account shall be credited with amounts concurrently charged to operating expenses or other accounts to cover the estimated accrued depreciation on leased road and equipment when settlements between the account-

ing company and the lessor are not made currently. (See § 10.05-2 *Leased road and equipment; depreciation.*) It shall also be credited with depreciation accrued on property the cost of which is included in account 702, "Improvements on leased property." When leased property for which accruals have been included in this account is retired from service, the entire service value of property the cost of which has been charged to account 702 by the lessee and the service value of property, the ledger value of which is carried in account 701, "Road and equipment property," by the lessor for which the lessee is liable to the lessor shall be charged to this account.

**§ 10.784 Unearned surplus.** This account shall include all surplus arising from sources other than those classable under profit and loss and earned surplus accounts or other balance sheet accounts for which specific provision is made. Subaccounts shall be maintained as follows:

**§ 10.784-1 Paid-in surplus.** This subaccount shall include such items as amount of consent dividends on the accounting company's capital stock; surplus arising from donations by the accounting company's stockholders; amounts representing reduction of the par or recorded value of the accounting company's capital stock; amounts of forfeited subscriptions to the accounting company's capital stock; gain from the acquisition, retirement, or resale of reacquired shares of the accounting company's capital stock; and long-term debt of the accounting company forgiven by stockholders.

It shall be charged with amounts included herein when capitalized by stock dividends or otherwise with the approval of the Commission, and losses from retirement or resale of reacquired shares up to an amount not in excess of credits included herein applicable to the reacquired shares; and may be charged with the amortization of discount on capital stock to the extent of credits herein. (See § 10.08-2 *Discount, premium, and assessment on capital stock.*)

**§ 10.784-2 Other unearned surplus.** This subaccount shall include unearned surplus, as above defined, arising from sources other than those enumerated under subaccount 784.1.



§ 10.785 *Earned surplus; appropriated.* This account shall include the total of the net balances of appropriations of income and earned surplus for the acquisition of capital assets; the retirement of debt; sinking and redemption funds; and all other appropriations specifically set aside in the hands of trustees as well as appropriations held in general funds for which no specific investment or segregation of assets has been made. It shall also include accretions to the assets held in such special funds. (See income account 552, "Income applied to sinking and other reserve funds.")

A subdivision of this account shall be maintained by classes of appropriations, the titles of which shall indicate the purpose for which the appropriations were made.

§ 10.786 *Earned surplus; unappropriated.* This account shall include the net balance (debit or credit) of the amounts included in accounts 601 to 621, inclusive. It shall not include transfers either to or from account 784, "Unearned surplus," unless so authorized upon application to the Commission.

The balance of all profit and loss accounts (601 to 621, inclusive) shall be closed into this account at the end of each calendar year.

§ 10.790 *Form of general balance-sheet statement.* The classified form of general balance-sheet statement is designed to show the financial condition of the accounting company at any specified date.

#### ASSET SIDE

##### Investments:

- 701. Road and equipment property.
- 702. Improvements on leased property.
- 702½ A. Acquisition adjustment.
- 702½ B. Donations and grants.
- Investment in transportation property.
- 702½ C. Accrued depreciation—Road.
- 702½ D. Accrued depreciation—Equipment.
- 702½ E. Accrued amortization of defense projects—Road.
- 702½ F. Accrued amortization of defense projects—Equipment.
- Investment in transportation property less recorded depreciation and amortization.
- 703. Sinking funds.
- Total book assets at date (In short column.)
- Carrier's own issues at date. (In short column.)
- Other assets at date. (In long column.)

##### Investments—Continued

- 704. Capital and other reserve funds.
- Total book assets at date. (In short column.)
- Carrier's own issues at date. (In short column.)
- Other assets at date. (In long column.)
- 704½. Maintenance funds.
- 705. Miscellaneous physical property.
- 705½. Accrued depreciation—Miscellaneous physical property.
- Miscellaneous physical property less recorded depreciation.
- 706. Investments in affiliated companies—
  - (a) Stocks.
  - (b) Bonds.
  - (c) Other secured obligations.
  - (d) Unsecured notes.
  - (e) Investment advances.
- 707. Other investments—
  - (a) Stocks.
  - (b) Bonds.
  - (c) Other secured obligations.
  - (d) Unsecured notes.
  - (e) Investment advances.
- 707½. Reserve for adjustment of investment in securities.
- Total.

##### Current assets:

- 708. Cash.
- 709. Temporary cash investments.
- 711. Special deposits.
- Total book assets at date. (In short column.)
- Carrier's own issues at date. (In short column.)
- Other assets at date. (In long column.)
- 712. Loans and bills receivable.
- 713. Traffic and car-service balances—Dr.
- 714. Net balance receivable from agents and conductors.
- 715. Miscellaneous accounts receivable.
- 716. Material and supplies.
- 717. Interest and dividends receivable.
- 718. Accrued accounts receivable.
- 719. Other current assets.
- Total.

##### Deferred assets:

- 720. Working fund advances.
- 721. Insurance and other funds.
- Total book assets at date. (In short column.)
- Carrier's own issues at date. (In short column.)
- Other assets at date. (In long column.)

##### 722. Other deferred assets.

##### Total.

##### Unadjusted debits:

- 723. Prepayments.
- 725. Discount on funded debt.
- 726. Property retired chargeable to operating expenses.
- 727. Other unadjusted debits.
- 728. Securities issued or assumed—Unpledged. (In short column only.)
- 729. Securities issued or assumed—Pledged. (In short column only.)
- Total.

## LIABILITY SIDE

## Stock:

751. Capital stock—  
     Book liability at date. (In short column.)  
     Held by or for carrier at date. (In short column.)  
     Actually outstanding at date. (In long column.)  
 752. Stock liability for conversion.  
 753. Premiums and assessments on capital stock.  
 754. Discount on capital stock.  
     Total.

## Long term debt:

755. Funded debt unmatured—  
     Book liability at date. (In short column.)  
     Held by or for carrier at date. (In short column.)  
     Actually outstanding at date. (In long column.)  
 755½. Debt in default.  
 756. Receivers' and trustees' securities.  
 756½. Equipment obligations.  
 757. Amounts payable to affiliated companies.  
     (a) Notes.  
     (b) Par value of matured funded debt of affiliated companies.  
     (c) Open accounts.  
     (d) Interest accrued on amounts included in this account.  
     Total.

## Current liabilities:

758. Loans and bills payable.  
 759. Traffic and car-service balances—Cr.  
 760. Audited accounts and wages payable.  
 761. Miscellaneous accounts payable.  
 762. Interest matured unpaid.  
 763. Dividends matured unpaid.  
 764. Unmatured interest accrued.  
 765. Unmatured dividends declared.  
 766. Accrued accounts payable.  
 767. Taxes accrued.  
 768. Other current liabilities.  
     Total.

## Deferred liabilities:

769. Pension and welfare reserves.  
 769½. Interest in default.  
 770. Other deferred liabilities.  
     Total.

## Unadjusted credits:

772. Premium on funded debt.  
 773. Insurance reserves.  
 773½. Equalization reserves.  
 774. Maintenance reserves.  
 778. Other unadjusted credits.  
 779. Accrued depreciation—Leased property.  
     Total.

## Surplus:

784. Unearned surplus. (In long column.)  
     1. Paid-in surplus. (In short column only.)  
     2. Other unearned surplus. (In short column only.)  
 785. Earned surplus—Appropriated.  
 786. Earned surplus—Unappropriated.  
     Total surplus.

## TRAIN MILES

§ 10.800 *Rules and definitions.* (a)

A train is a unit of equipment, or a combination of units of equipment (exclusive of light locomotives), in condition for movement over tracks by self-contained motor equipment. A locomotive is a self-propelled unit of equipment designed solely for moving other equipment. A light locomotive is a locomotive in condition for movement by its own motor equipment, uncoupled to cars, work equipment, or dead locomotives. A motor car is a self-propelled unit of equipment designed to carry freight or passenger traffic, and is not to be considered a locomotive.

(b) A train-mile is the movement of a train a distance of 1 mile.

(c) In computing train-miles, fractions representing less than one-half mile shall be disregarded and other fractions considered as 1 mile.

(d) Transportation service train-miles shall be based on the actual distance run between terminals and stations, and shall be computed from the official time-tables or distance tables.

(e) Work service train-miles shall be based on the actual distance run between terminals. When work trains are run between terminals and not ordered to work at some specified point or within specified working limits, the actual miles run shall be allowed to them, the same as to any other class of trains. When ordered to run to a certain point to work at that point or within specified working limits, the actual miles made while under running orders shall be allowed, and in addition an arbitrary mileage of 6 miles per hour for the time working at the point or within the working limits named. In computing such arbitrary mileage, fractions representing less than one-half hour shall be disregarded and other fractions considered as one hour. Constructive miles on the basis of 6 miles per hour shall be allowed trains run for the purpose of removing snow when the actual miles of such trains are less than the constructive miles. No record is required of work-train miles on new roads, road extensions, or portions of such roads or extensions, before the commencement of the regular operation of revenue service trains.

(f) Each train and each section of a train run by a separate train crew shall

be considered a separate train, whether hauled by one or more locomotives either the whole distance or a part of the distance between the train terminals. There shall be nothing added to this distance to cover running of locomotives from enginehouses to terminals, doubling hills, running for water, switching, or other work at way stations, or for the service of helper or pusher locomotives or of extra locomotives on double-head or triple-head trains.

(g) When the carrier's trains, hauled by its locomotives and handled by its crews, are detoured over foreign roads, the miles shall be computed on the basis of the miles actually run, and classified by it in its train-miles in accordance with the service performed.

(h) Separate accounts of train-miles shall be kept for trains hauled by locomotives and for trains moved by motor cars.

#### TRAIN-MILE ACCOUNTS

##### TRANSPORTATION SERVICE<sup>1</sup>

§ 10.801 *Freight-train miles.* This account shall include miles run by all trains between terminals or stations for the transportation of revenue and company freight; also miles run by trains consisting of empty freight cars, and by trains consisting of a locomotive and caboose running light in connection with such service.

Trains which contain passenger-train cars shall be classed as freight trains whenever the number of freight-train cars is in excess of the number of passenger-train cars in them.

Freight-train miles shall be subdivided as follows:

Ordinary freight-train miles: Miles run by trains consisting of a locomotive, with or without caboose, with other equipment.

<sup>1</sup> These accounts shall include the miles of all revenue service trains, including trains which incidentally carry employees or company freight. They shall also include the miles of trains which are operated between terminals or stations to transport company freight, when the service is similar to that connected with the transportation of commercial freight and statistics of ton-miles are kept.

The trains here referred to are those the locomotive and train expenses of operating which are includible in the locomotive and train expense accounts in § 10.370 *Transportation; rail line.*

Light freight-train miles: Miles run by trains consisting of a locomotive and caboose, running light in connection with freight-train service.

§ 10.802 *Passenger-train miles.* This account shall include miles run by revenue service trains to transport passengers, baggage, mail, milk, express, or any combination of these; also miles run by trains consisting of deadhead passenger equipment.

Trains which contain freight-train cars shall be classed as passenger trains whenever the number of passenger-train cars is in excess of the number of freight-train cars in them.

NOTE: This account does not apply to trains run for the transportation of mail or milk upon the basis of authorized tariffs at rates based upon weight. The miles of such trains shall be classed as freight-train miles.

#### WORK SERVICE

§ 10.805 *Work-train miles.* This account shall include miles run by trains engaged in company service, such as official, inspection, and pay trains; inspection trains for railway commissioners for which no revenue is received; trains running special with fire apparatus to save the carrier's property from destruction; trains run for transporting the carrier's employees to and from work when no transportation charge is made; wrecking trains; trains run for the purpose of ditching, filling embankments, and widening cuts; trains run for the purpose of removing snow; trains distributing ties, rails, other track material, ballast, bridge material, and other material and supplies for maintenance or for additions and betterments; trains run for picking up and concentrating such material; and trains run for distributing material and supplies for use in connection with operation.

NOTE B: The accounting for expenses of work-train service shall be in accordance with paragraph (c) of § 10.01-4 *Cost of construction* and paragraph (c) of § 10.04-3 *Cost of repairs*, and other requirements of the accounting regulations for operating expenses.

NOTE C: No record is required of the miles of construction trains on new roads or road extensions, or on portions of such roads or extensions, before the commencement of the regular operation of revenue service trains.

#### LOCOMOTIVE MILES

§ 10.810 *Rules and definitions.* (a) A locomotive is a self-propelled unit of

equipment designed solely for moving other equipment. A locomotive-mile is a movement of a locomotive a distance of 1 mile, under its own power.

(b) In computing locomotive-miles fractions representing less than one-half mile shall be disregarded, and other fractions considered as 1 mile.

(c) All locomotive-miles made in hauling transportation service trains shall be based upon the actual distance run between terminals or stations, and shall be computed from the official time-tables or distance tables as prescribed for train-miles.

(d) Light-locomotive miles shall be based on the actual distance locomotives run, except that no light-locomotive miles shall be allowed for terminal service where the distance in one direction is less than one-half mile.

(e) Miles of locomotives in helper service shall be computed on the basis of actual distance run in such service.

(f) Train switching locomotive-miles shall be computed at the rate of 6 miles per hour for the time actually engaged in such service. In computing such arbitrary mileage fractions representing less than one-half hour shall be disregarded and other fractions considered as one hour.

(g) Yard switching locomotive-miles shall be computed at the rate of 6 miles per hour for the time actually engaged in such service. In computing yard switching locomotive-miles, fractions representing less than one-half hour shall be disregarded, and other fractions considered as one hour.

(h) Work-train locomotive-miles shall be computed according to the rules prescribed for work-train miles. Miles of work locomotives employed in switching at shops for shop purposes, spotting cars in gravel pits, working with pile drivers, etc., shall be computed upon the basis of 6 miles per hour for the actual time in the service. In computing the time engaged fractions representing less than one-half hour shall be disregarded and other fractions considered one hour.

(i) The miles of new or generally repaired locomotives running light in breaking-in service shall not be included in the locomotive-mile accounts.

(j) No record is required of the miles of locomotives in construction service on

new roads or road extensions, or on portions of such roads or extensions, before the commencement of the regular operation of revenue service trains.

(k) A separate record shall be kept for miles of steam locomotives and for miles of other locomotives.

(l) Miles of motor cars shall not be classed as locomotive-miles.

#### LOCOMOTIVE-MILE ACCOUNTS

##### TRANSPORTATION SERVICE; LINE<sup>2</sup>

##### § 10.811 *Freight locomotive-miles.*

This account shall include miles run by locomotives in freight-train service, the train-miles of which are includible in account 801, "Freight-train miles."

**Principal freight locomotive-miles:** Miles run by locomotives principal to the train, between terminals or stations, with freight trains; also miles run by locomotives between terminals or stations, with cabooses, going to or returning from such service; and miles run in hauling the second cut of freight trains doubled over grades.

**Helper freight locomotive-miles:** Miles run by locomotives as helpers over the division or that portion covered by the run, or on important grades, including double-headers, triple-headers, and pushers, regardless of whether on the head end, in the middle, or on the rear of the train.

**Light freight locomotive-miles:** Miles run by locomotives light between terminals or stations in connection with freight-train service on account of unbalanced traffic; miles run light for hauling second cuts of trains doubled; miles run light between freight trains and next coaling station or water tank for coal or water; miles run light to pick up or assist freight trains between terminals; miles run light by grade helpers in returning from assisting freight trains as pushers or double-headers; and miles run light by locomotives coming from or going to enginehouses or turntables from freight-train service.

**NOTE.** No miles shall be allowed for light movements at terminals if the distance between enginehouses or turntables and freight-train terminals is less than one-half mile.

<sup>2</sup> This account shall include the miles run by locomotives moving transportation service trains, and also miles run light in connection with such service.

**§ 10.812 Passenger locomotive-miles.** This account shall include miles run by locomotives in passenger-train service, the train-miles of which are includible in account 802, "Passenger-train miles."

**Principal passenger locomotive-miles:** Miles run by locomotives principal to the train between terminals or stations with passenger trains.

**Helper passenger locomotive-miles:** Miles run by locomotives as helpers over the division, or that portion covered by the run, or on important grades.

**Light passenger locomotive-miles:** Miles run by locomotives light between terminals or stations on account of unbalanced traffic, in connection with passenger-train service; miles run light between passenger trains and next coaling station or water tank for coal or water; miles run light to pick up or assist a passenger train between terminals; miles run light by grade helpers in returning from assisting passenger trains as pushers or double-headers; and miles run light by locomotives coming from or going to enginehouses or turntables from passenger-train service.

**NOTE:** No miles shall be allowed for light movements at terminals if the distance between enginehouses or turntables and passenger-train terminals is less than one-half mile.

#### TRANSPORTATION SERVICE; SWITCHING

**§ 10.815 Train switching locomotive-miles.** This account shall include miles allowed train locomotives for performing switching service at terminals and way stations. Include such items as switching at industry tracks, team tracks, freight house tracks, and interchange tracks; picking up or leaving cars en route; switching out bad order cars, weighing cars, making up or breaking up train at points where no yard service is maintained. No time should be included representing delays that may occur after yard switching has been completed such as waiting for a train order, held up account of meeting with a train in opposite direction, waiting for waybills or other time lost due to conditions other than actual train switching.

**§ 10.816 Yard switching locomotive-miles.** This account shall include miles allowed yard locomotives while switching in yards where regular switching service is maintained; also miles of switching locomotives running light between termi-

nals and yards where regular switching service is maintained in connection with switching service in such yards. This account shall be subdivided as follows:

**Yard switching locomotive-miles, freight:** Miles allowed yard locomotives in yards where regular switching service is maintained and in terminal switching and transfer service while engaged in switching cars in connection with the transportation of revenue freight; also miles allowed locomotives in such service while engaged incidentally in switching cars in connection with the transportation of company freight.

**Yard switching locomotive-miles; passenger:** Miles allowed yard locomotives while switching cars in connection with passenger-train service.

**NOTE:** Where yard switching is performed for both freight and passenger service by the same locomotive, or by locomotives assigned to one yard, a fair approximation of the mileage may be assigned to each service daily or monthly.

#### WORK SERVICE

**§ 10.817 Work service locomotive-miles.** This account shall include the actual miles run by locomotives in work-train service as defined in § 10.805; also miles of locomotives engaged solely in shop or material yard switching service.

**NOTE A:** Miles run by locomotives while engaged incidentally (in connection with regular yard switching service) in switching company material in company shop or material yards, or in switching equipment for repairs between yards and shops, shall be included in account 816, "Yard switching locomotive-miles."

**NOTE B:** Miles run by locomotives engaged in shop and material yard switching service, if operated by shop employees, shall not be included in this account.

#### CAR MILES

**§ 10.820 Rules and definitions.** (a) A car-mile is a movement of a unit of car equipment a distance of 1 mile.

(b) In computing car-miles, fractions representing less than one-half mile shall be disregarded, and other fractions considered as 1 mile.

(c) Separate accounts of car-miles shall be kept for the cars in trains hauled by locomotives and for the cars in trains moved by motor cars. The record of car-miles in trains moved by motor cars shall show separately the miles for motor cars and for cars not thus equipped.

**CAR-MILE ACCOUNTS**  
**TRANSPORTATION SERVICE**

**§ 10.821 Freight-train car-miles.** (a) This account shall include the miles run by freight-train cars (including caboose cars) in transportation service. Such car-miles shall be subdivided as follows:

- Loaded (run by loaded freight cars).
- Empty (run by empty freight cars).
- Caboose (run by caboose cars).

(b) This account shall be so kept as to show miles run in freight trains and in passenger trains separately.

**§ 10.822 Passenger-train car-miles.** (a) This account shall include the actual miles run by passenger-train cars in transportation service. It shall include miles of loaded cars and also of empty cars deadheaded in connection with the service, and shall be subdivided as follows:

(1) *Coaches.* Miles run by coaches and chair cars in which passengers are carried at regular tariff fares without extra charge for space occupied.

(2) *Combination coach cars.* Miles run by combination passenger and baggage, passenger and mail, and passenger and express cars in which passengers are carried at regular tariff fares without extra charge for space occupied.

(3) *Sleeping and parlor cars.* Miles

run by sleeping, parlor, and other cars for which an extra fare is charged for space occupied.

(4) *Dining, club, lounge, and observation cars.* Miles run by dining, cafe, and other cars devoted exclusively to the serving of meals and other refreshments and by club, lounge, and observation cars without charge in excess of sleeping or parlor car fares.

(5) *Business cars.* Miles run by all railway business cars operated for the transportation of the carrier's officers and employees.

(6) *Other passenger-train cars.* Miles run by baggage, express, mail, milk, and postal cars, and by cars in which such services are combined. (This class includes no cars intended for the transportation of revenue passengers.)

(b) This account shall be so kept as to show miles run in freight trains and in passenger trains separately.

**WORK SERVICE**

**§ 10.825 Work service car-miles.** This account shall include miles run by cars in work trains, except by equipment which is designed exclusively for work service, such as snow plows, flangers, derricks, pile drivers, wrecking cranes, tool cars, and camp outfits. (For definition of work train see § 10.805.)

TITLE 49 - TRANSPORTATION  
CHAPTER 1 - INTERSTATE COMMERCE COMMISSION  
SUBCHAPTER A - GENERAL RULES AND REGULATIONS  
PART 10 - UNIFORM SYSTEM OF ACCOUNTS FOR  
RAILROAD COMPANIES

SERVICE DATE  
OCTOBER 26, 1965

No. 32153

SERVICE DATE  
OCTOBER 26, 1965

UNIFORM SYSTEM OF ACCOUNTS FOR RAILROAD COMPANIES

O R D E R

At a session of the Interstate Commerce Commission, division 2, held at its office in Washington, D. C., on the 7th day of October A. D. 1965.

The Commission having under consideration a notice of proposed rule making published in the Federal Register on December 25, 1964 (29 FR 18437) which proposed amendment of the Uniform System of Accounts for Railroad Companies to provide for revenues received by railroad companies as direct grants or aid for providing passenger commuter or other passenger service, and due consideration having been given to the responses pursuant to said notice and all other aspects of this matter;

It is ordered, That operating revenue account 108, Other Passenger-train, under this part and title be and it is hereby amended by adding to the list of items thereunder, the following new item:

108, Other Passenger-train

\* \* \* \* \*

(d) Revenues receivable from states, cities, and other governmental agencies as direct grants or aid for providing passenger commuter or other passenger-train service. The amounts recorded in this account shall not include aid in the form of abatement or forgiveness of taxes, assumption by local governments of station maintenance costs, and other similar special indirect benefits, contributed by governmental agencies.

It is further ordered, That this amendment shall become effective on January 1, 1966, on and after which date all railroad companies subject to its provisions shall comply therewith; and,

It is further ordered, That service be made on all carriers by railroad which are affected hereby and that notice of this order be given to the general public by depositing a copy thereof in the Office of the Secretary of the Commission at Washington, D. C., and by filing the order with the Director, Office of the Federal Register.

Authority: Sec. 12, 24 Stat. 383, as amended; 49 U.S.C. 12. Interpret or apply Sec. 20, 24 Stat. 386, as amended 49 U.S.C. 20.

By the Commission, division 2.

H. NEIL GARSON  
Secretary

(SEAL)